

# Full Year 2024 Results Presentation



Transportes Aéreos Portugueses, S.A.  
Lisbon, March 26<sup>th</sup>, 2025

 **AIR PORTUGAL**  
Embrace the World

# FY 2024 Review



**TAP** AIR PORTUGAL

Embrace the World

# FY 2024 key highlights

- **Revenue increase by 1%:** positive performance of the flown passenger revenue in a highly competitive market offset by non-flown revenue adjustments, and strong performance of the maintenance segment
- **Stable operating results,** with recurring EBITDA and EBIT margins in line with FY23, accommodating new CLAs and the increase in employee costs
- **Net Income of EUR 54m,** impacted by extraordinary labour provisions and FX losses
- **Financial structure strengthened** with increased debt maturity, stable leverage and further capital (equity and debt refinancing)
- **Ongoing improvements in punctuality and regularity** despite operational headwinds
- **Acquisition of PGA,** fully consolidated in the accounts since **November**



# Q4 and FY 2024 results

## Revenues

**Q4 2024** vs. Q4 2023

**EUR 990m** -6%

**FY 2024** vs. FY 2023

**EUR 4,242m** +1%

## Recurring EBITDA

**EUR 131m** +10%

**EUR 875m** +0%

Margin

**13%**

**21%**

## Recurring EBIT

**EUR 5m** +133%

**EUR 383m** -1%

Margin

**0%**

**9%**

## Net Income

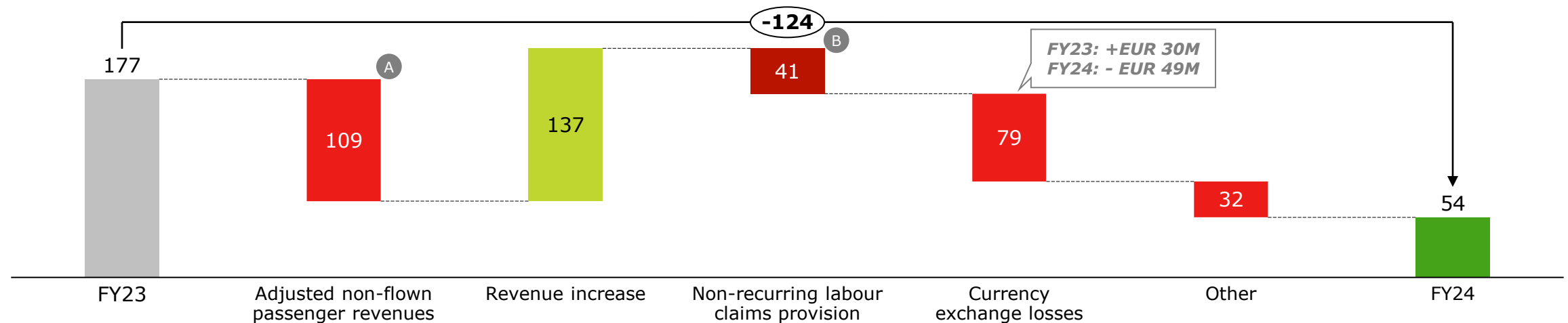
**EUR -64m** -EUR 38m

**EUR 54m** -EUR 124m

# FY24 impacted by adjusted non-flown revenues and extraordinary provisions for labour claims...

## Net Income bridge

EUR million



A

Significant less revenue in FY24 vs FY23, of which ca. EUR 75m refer to Q4, due to:

1. Refocusing of the *Miles&Go* program to further reward our customers, which negatively impacted revenue in the short term due to the renegotiation/termination of some agreements
2. Mainly refers to the reestablishment of ticket terms changed during the pandemic, and lower expired tickets revenue due to lower disruption

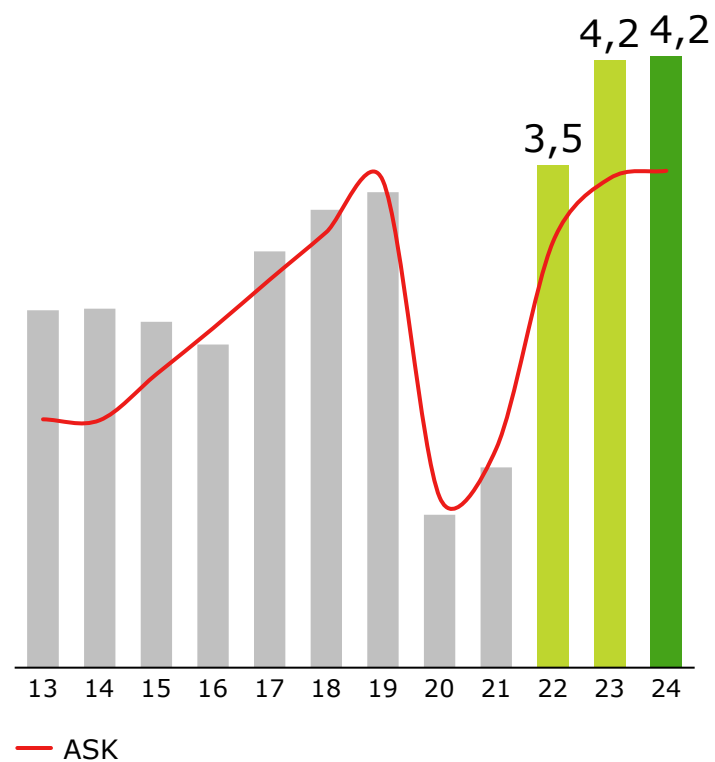
B

Following the decision (*acórdão uniformizador de jurisprudência*) of the Supreme Court of Justice, on 11 December 2024, regarding the reclassification of cabin crew following the nullity of the contract term, TAP appealed this decision, and received a response on 12 March 2025, rejecting the appeal. Consequently, TAP recorded an extraordinary labour provision.

# ... but continues to be consistent and resilient

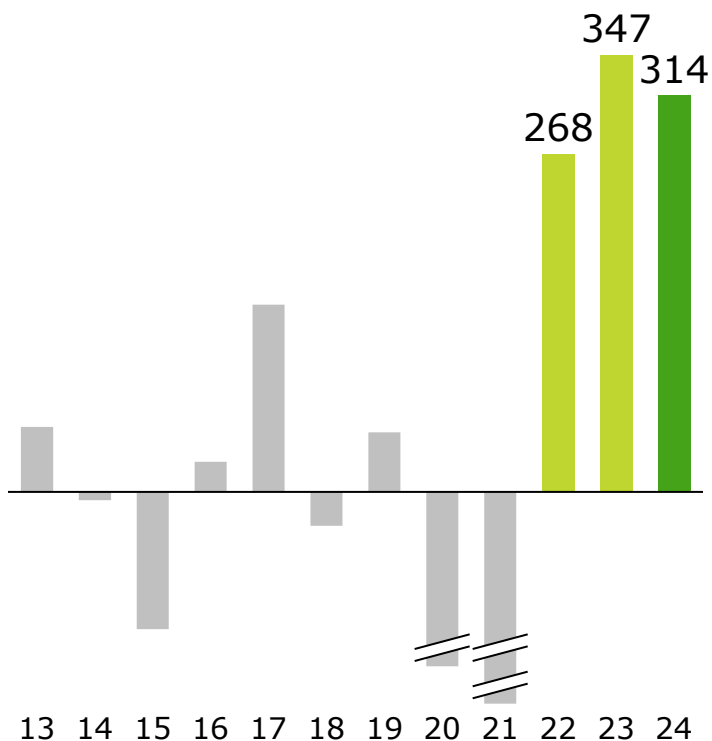
## Revenues

EUR billion



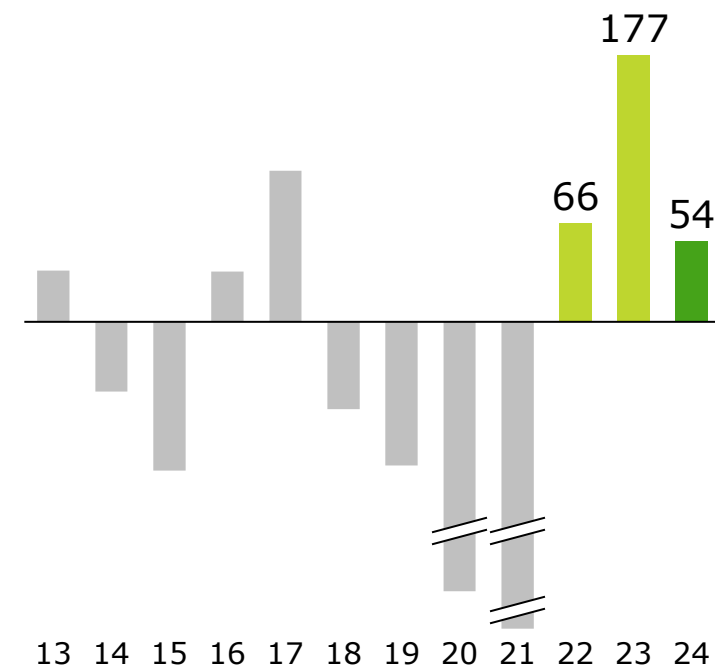
## EBIT (including non-recurring costs)

EUR million



## Net Income

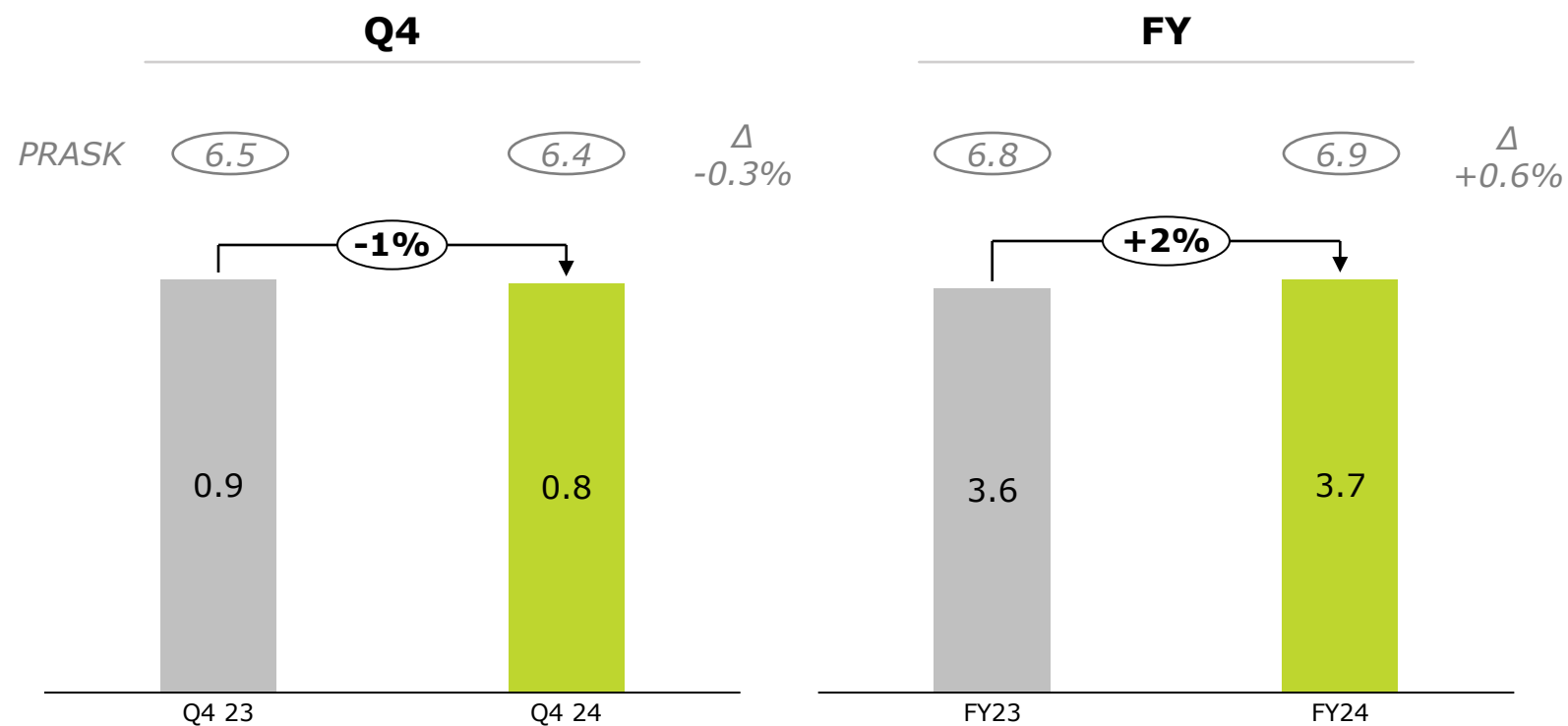
EUR million



# Positive underlying performance of the flown passenger revenues...

## Flown Passenger Revenue<sup>1</sup> evolution

EUR Billion and EUR cents



<sup>1</sup> Passenger revenues minus Loyalty, Expired tickets and other non-flown revenue



# ...despite increased competition<sup>1</sup> in key markets

## North America

ASKs  
% vs. FY23 **+5%**

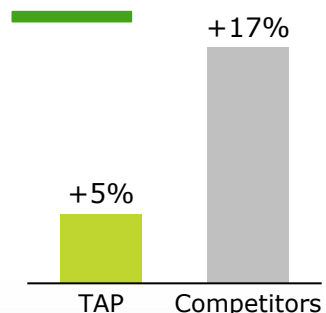
PRASK  
% vs. FY23 **+1%**

Load factor  
FY24 **85%**

Load factor  
Vs .FY23 **+2.3 p.p.**

### Daily seats evolution

FY24 vs FY23



## Europe

ASKs  
% vs. FY23 **-2%**

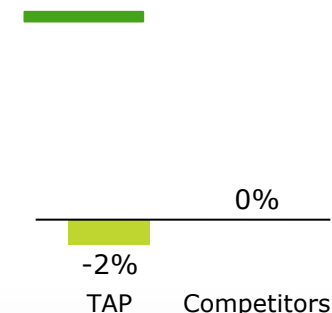
PRASK  
% vs. FY23 **+7%**

Load factor  
FY24 **82%**

Load factor  
Vs .FY23 **+2.6 p.p.**

### Daily seats evolution

FY24 vs FY23



## South America

ASKs  
% vs. FY23 **+7%**

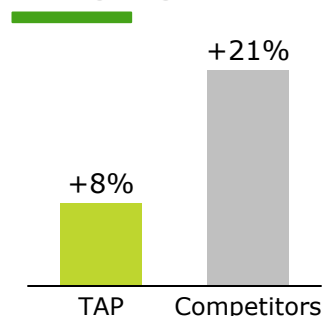
PRASK  
% vs. FY23 **-6%**

Load factor  
FY24 **84%**

Load factor  
Vs .FY23 **-0.8 p.p.**

### Daily seats evolution

FY24 vs FY23



## Africa & Middle East<sup>2</sup>

ASKs  
% vs. FY23 **-9%**

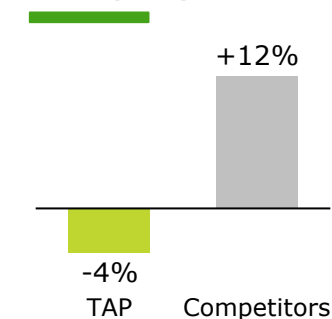
PRASK  
% vs. FY23 **-3%**

Load factor  
FY24 **72%**

Load factor  
Vs .FY23 **+1.5 p.p.**

### Daily seats evolution

FY24 vs FY23



Flown allocatable passenger revenues (fare, fuel surcharge and flight related ancillaries)

<sup>1</sup> Measured in Average Seats Daily Each Way from Europe to South America and Africa, from Southern Europe to North America, and from Portugal to Europe (Source SRS Analyser).

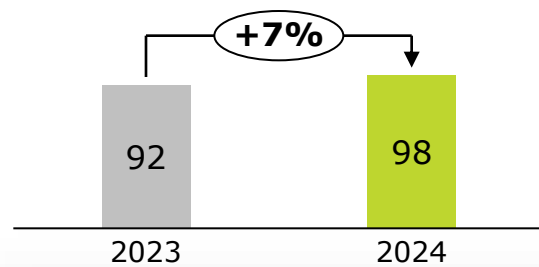
<sup>2</sup> Impacted by the end of the Tel Aviv route in Q4 2023.



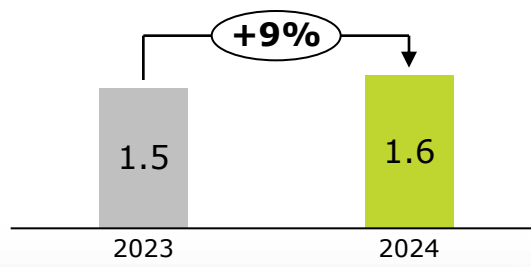
# Focus and enhancing transatlantic connectivity

## North America

**Number of flights** (summer season peak)

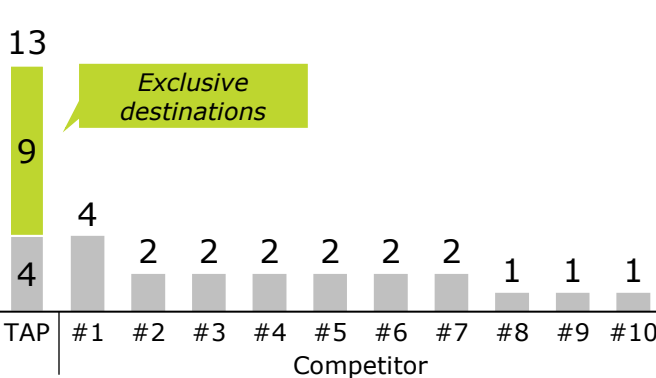


**Carried passengers** (million)

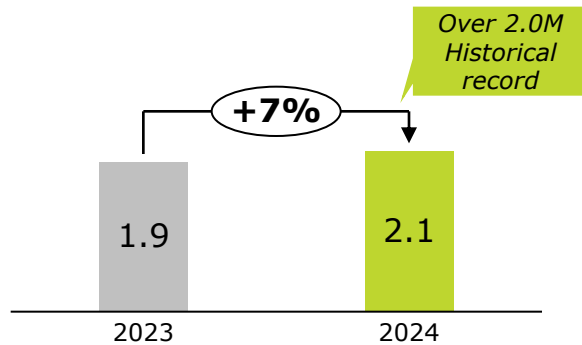


## Brazil

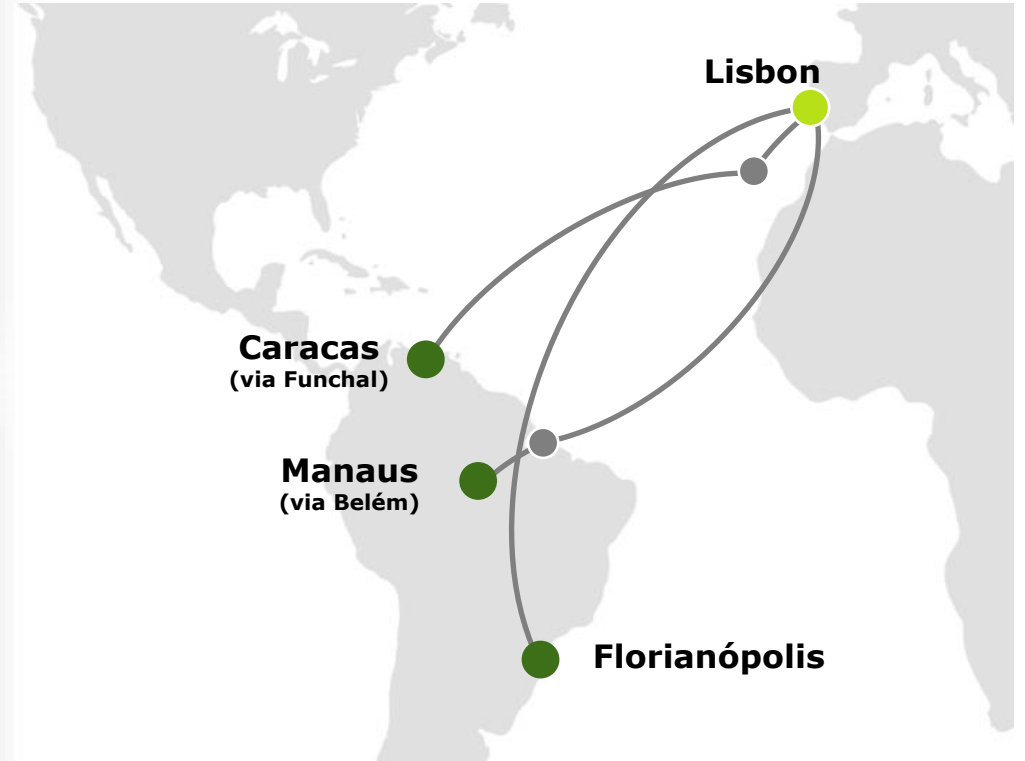
**Destinations served in Brazil from Europe**



**Carried passengers** (million)



## 2024 new routes and partnerships<sup>1</sup>

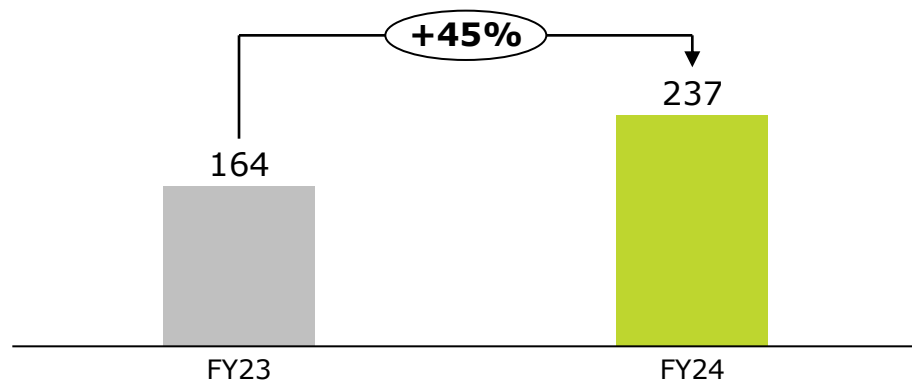


<sup>1</sup>New agreements or Review/Expansion. Non-exhaustive

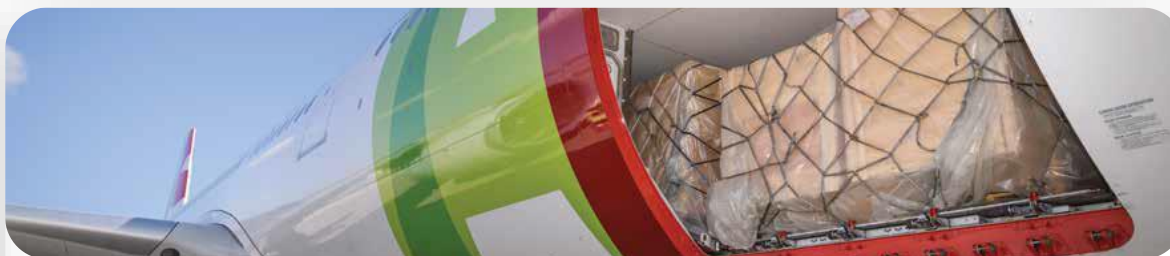
# Strong performance in M&E, Cargo building up on resilient 2H



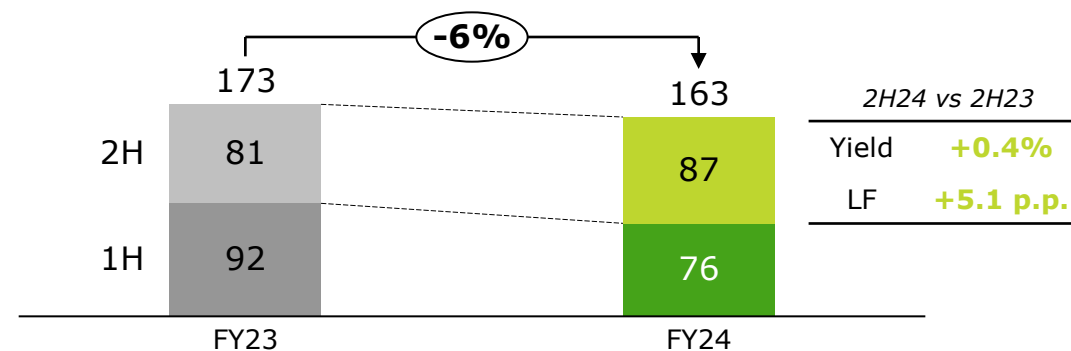
## Maintenance revenue



- Revenue growth fueled by third-party engine maintenance activity, with 53 engine shop visits completed in FY24
- Implementation of digital solutions and rollout of training program to drive higher production and improved productivity
- Start of the M&E expansion plan, with key infrastructure investments made in FY24



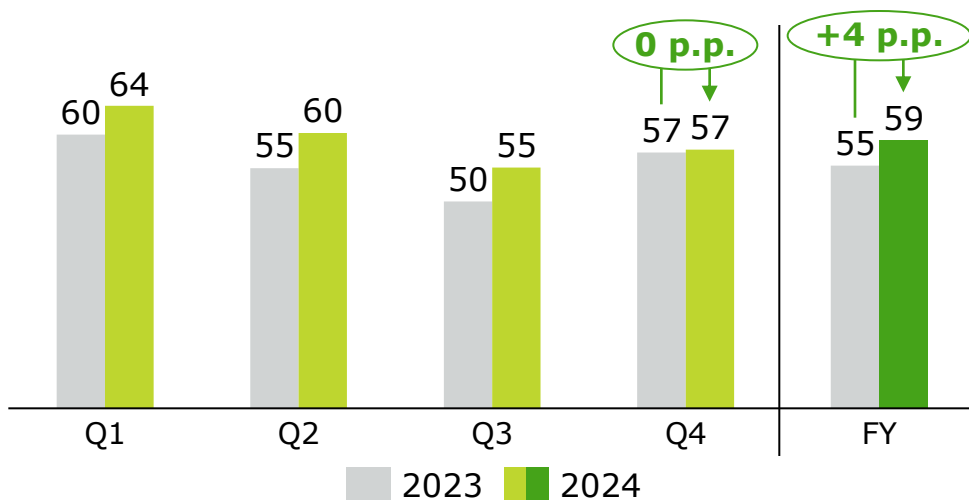
## Cargo & Mail revenue



- Strong performance in 2H24, with higher revenue driven by increased load factor and yield, particularly in Q4
- Expansion of digital capabilities in TAP Air Cargo, with 17.5% of bookings now made through digital platforms
- In FY24, TAP Air Cargo operated a charter to Kigali and regular freighters between Brussels, Amsterdam, and Portugal to capture high-demand verticals, especially pharmaceutical cargo.

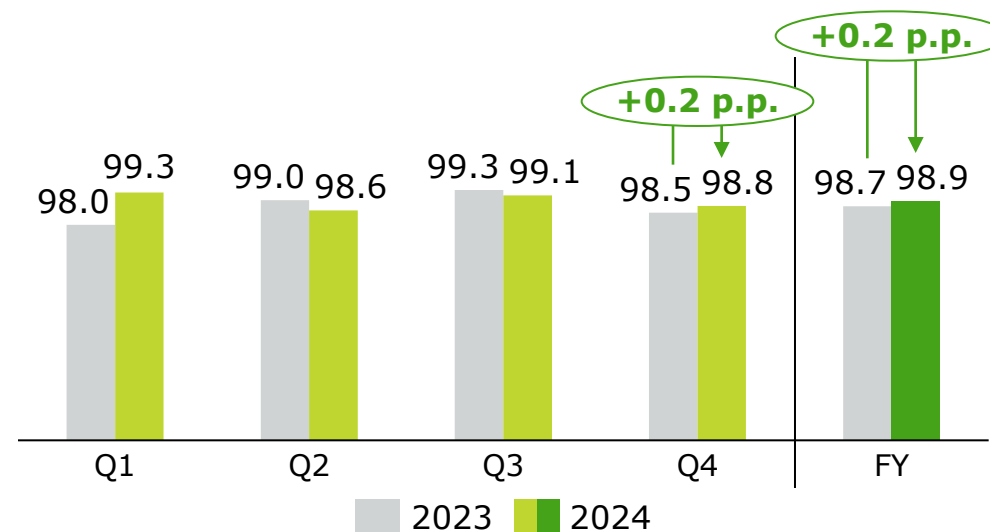
# Steady improvements in punctuality and regularity, despite increased weather events and ATC constraints

## OTP - D15<sup>1</sup>



- Improved due to network robustness initiatives, including block time adjustments and collaboration with ground and flight operations teams to enhance turnaround consistency
- Established an Airport & Runway working group to optimise system performance.

## Regularity<sup>1,2</sup>








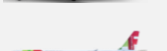




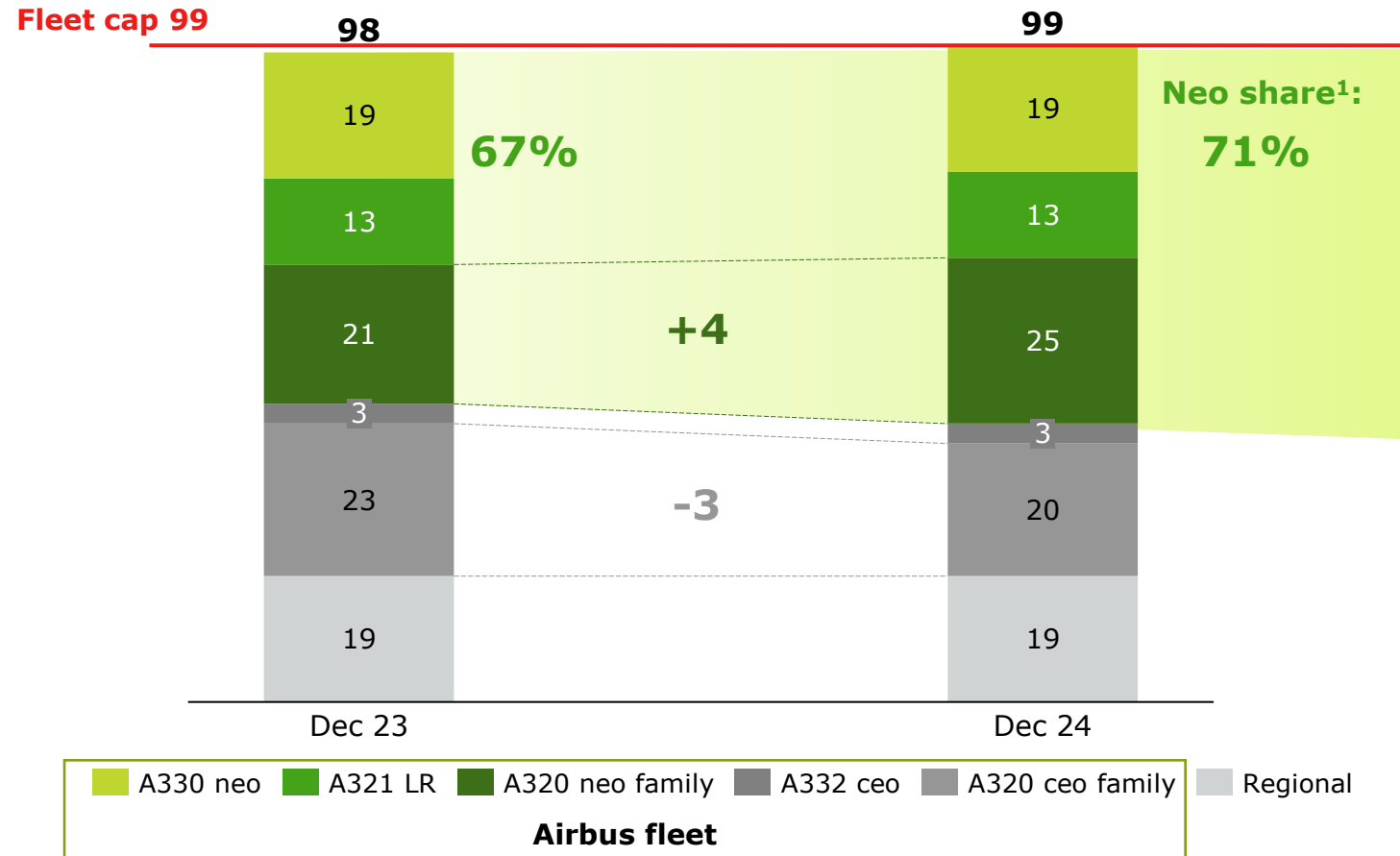
- Fewer cancellations driven by an increase in spare aircraft, enhanced network robustness with optimised passenger minimum connecting times, improved aircraft turnaround buffers in LIS and OPO, and reduced ACMI utilisation.
- New CLAs enabled greater crew flexibility during disruptions, supporting operational recovery.

<sup>1</sup> Including only regular flights (excludes cargo only & charters)

<sup>2</sup> Operational window cancellations

# Ongoing investment in a modern and efficient fleet

A330 Family		<b>A330-900</b>
		<b>A330-200</b>
A320 Family		<b>A321-LR</b>
		<b>A319</b>
		<b>A320CEO</b>
		<b>A320NEO</b>
		<b>A321NEO</b>
		<b>A321CEO</b>
Regional		<b>E195</b>
		<b>E190</b>



<sup>1</sup>Share of neo aircraft of Airbus fleet

# Award winning performance, validated by our customers



**2024 Europe's and World's Leading Airline to South America & Africa**



**1<sup>st</sup> Safest European Airline, 2025**  
**11<sup>th</sup> Safest World Airline, 2025**



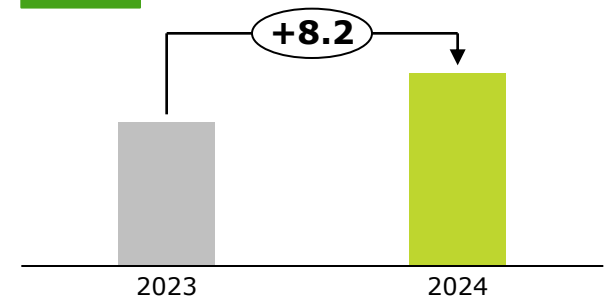
**2025 Four Star Major Airline**



**2024 Best Stopover program (6<sup>th</sup> consecutive edition)**

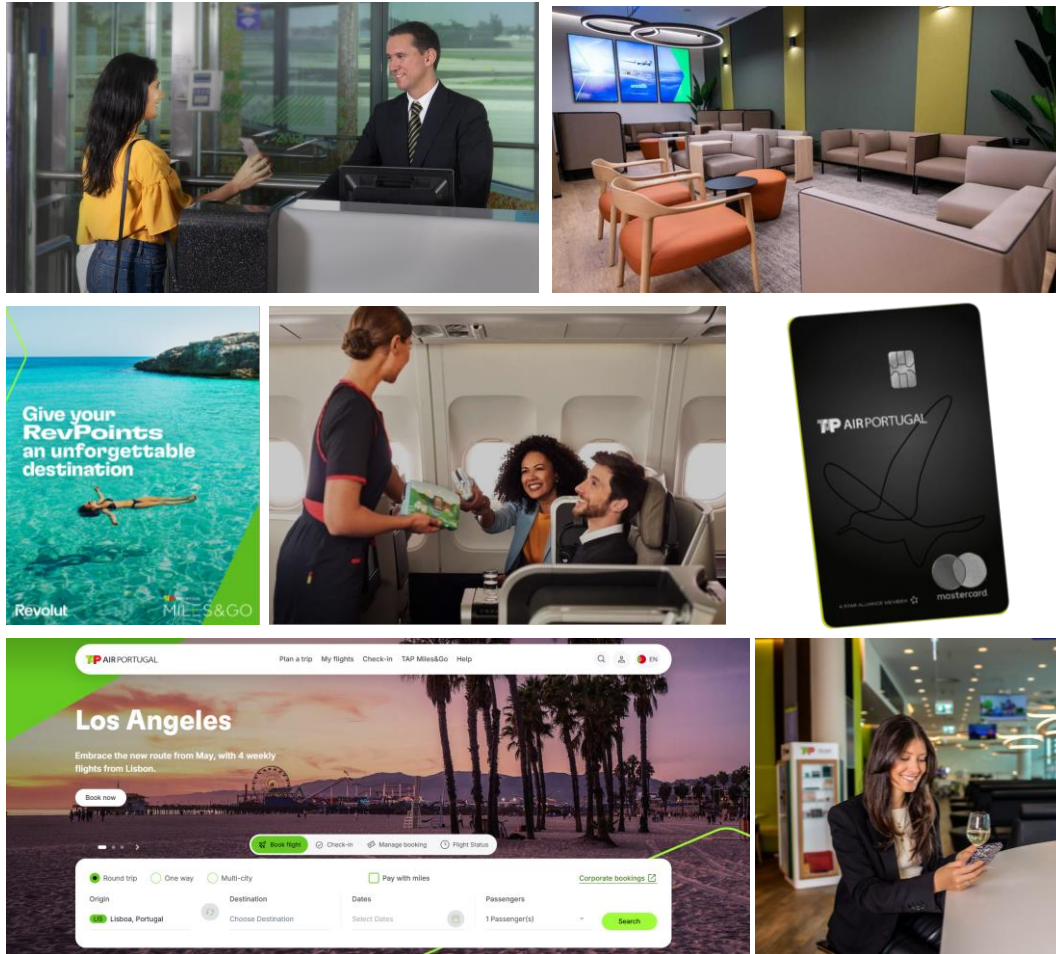
**Enhanced NPS driven by key customer touchpoints**

**NPS**



Area	2024 vs 2023
Punctuality	+10
Entertainment	+9
On board Wi-Fi	+23
Check in	+7
Boarding	+8

# Focus on enhancing the customer journey



- ✓ **Enhanced Ground Experience** with the new Non-Schengen Lisbon Lounge, a consistent boarding process, and tailored disruption management
- ✓ **Elevated Digital Experience & Security** through the launch of a new website (flyTAP.com) and App
- ✓ **Recognized Customer Service Improvements** with a CSAT<sup>1</sup> increase from 4.33 in 2023 to 4.53 in 2024 in call center calls
- ✓ **Strengthened Loyalty Programs through new partnerships**, including the Miles & Go co-branded credit card with BTG Pactual in Brazil, and new collaborations with Revolut (WW) and Bilt Rewards (US)
- ✓ **Increased Brand Goodwill on social media**, with positive sentiment rising from 32% in 2023 to 74% in 2024.

<sup>1</sup>Customer Satisfaction Score

# Q4 and FY 2024 Results

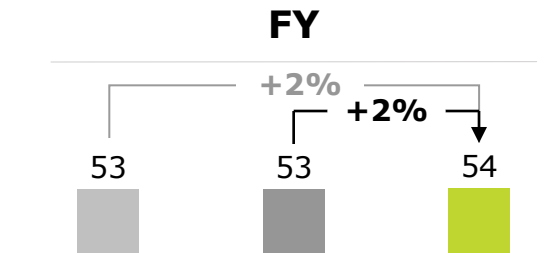
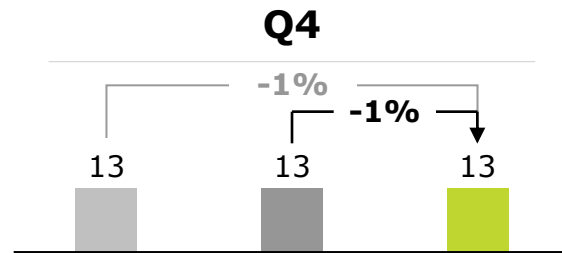


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# Steady growth in capacity, passengers, and load factor vs. 2023

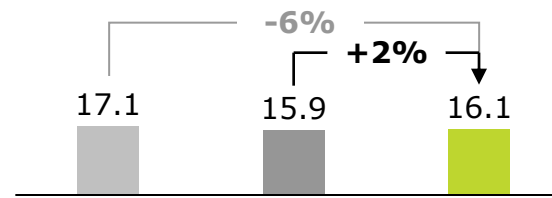
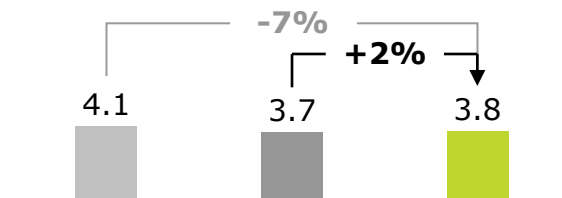
## ASKs

Billions



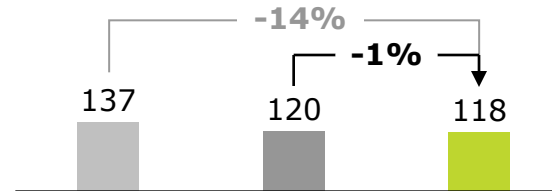
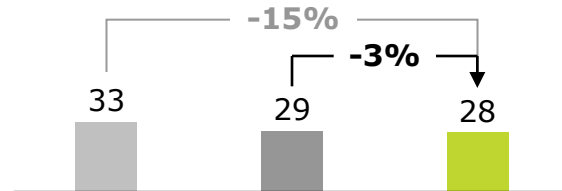
## Passengers

Millions



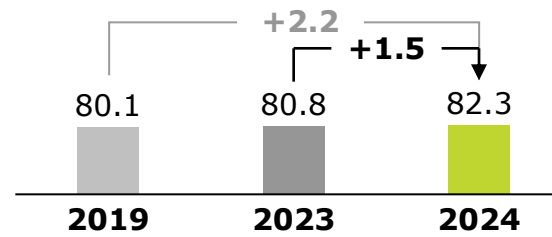
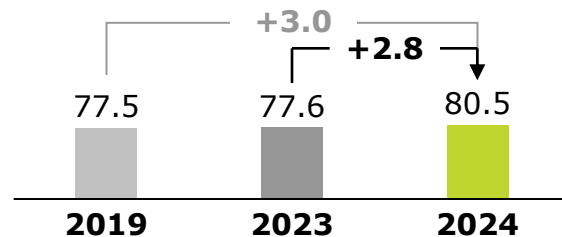
## Departures

Thousands



## Load factor

%



## Comments

Slight decrease vs 2023 in Q4, and increase in FY, representing 102% of FY19 values, despite smaller operating fleet

Number of passengers increasing vs 2023 and recovering vs 2019, reaching 93% and 94% in Q4 and FY

Slight decrease in departures vs 2023, and still below 2019, given a smaller operating fleet

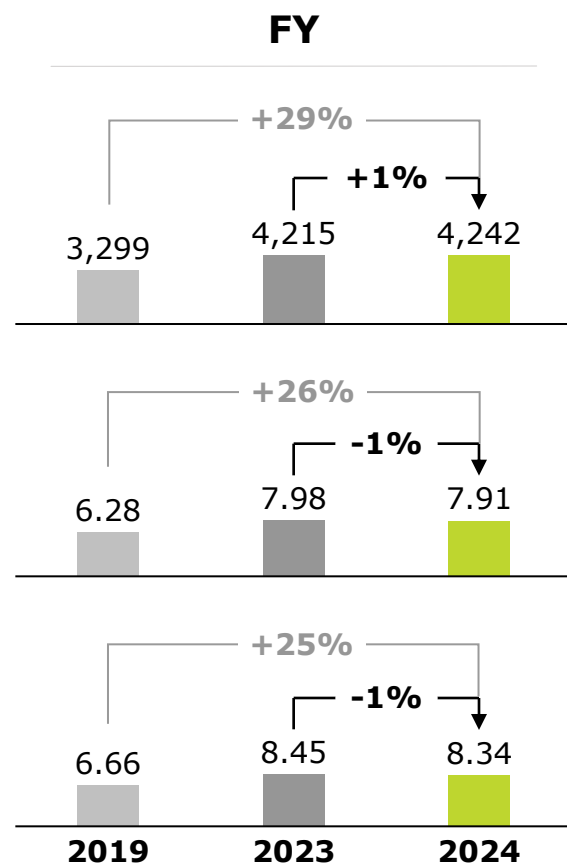
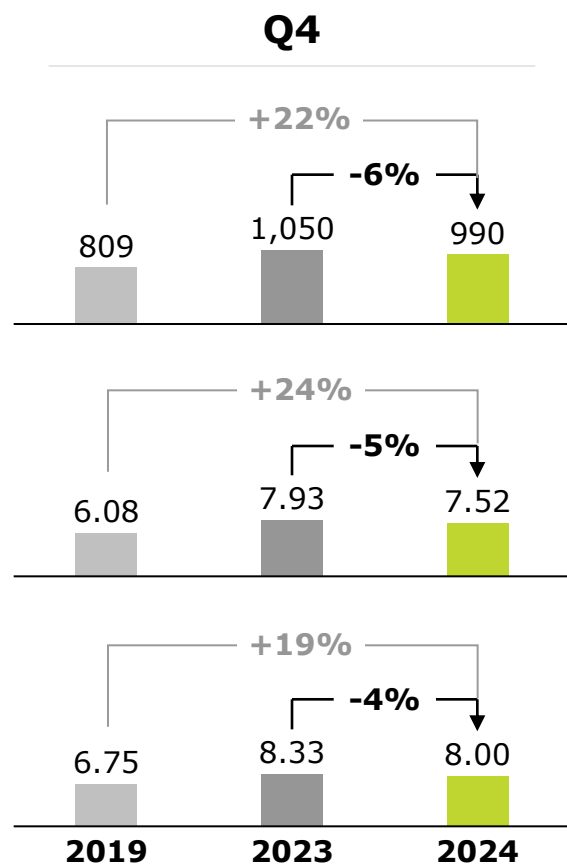
Increased load factors in 2024 compared to 2023 and 2019



# FY Revenue up 1% following Q4 performance

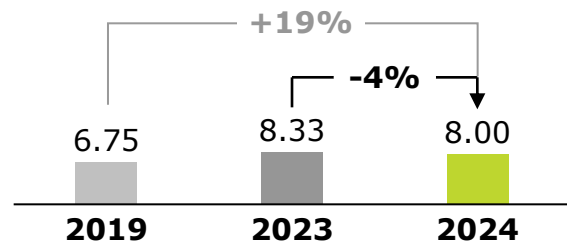
## Total operating revenue

EUR million



## Yield

EUR Cents



## Comments

Revenue growth by 1% in FY24 vs. FY23, driven by a EUR 73m increase in the Maintenance segment from higher engine shop activity, offsetting a EUR 31m decline in the Passenger segment due to adjusted non-flow revenues

Slight FY RASK decline as higher Maintenance unit revenue partially offset the decrease in FY PRASK

Marginal yield decline in FY24 compared to FY23.

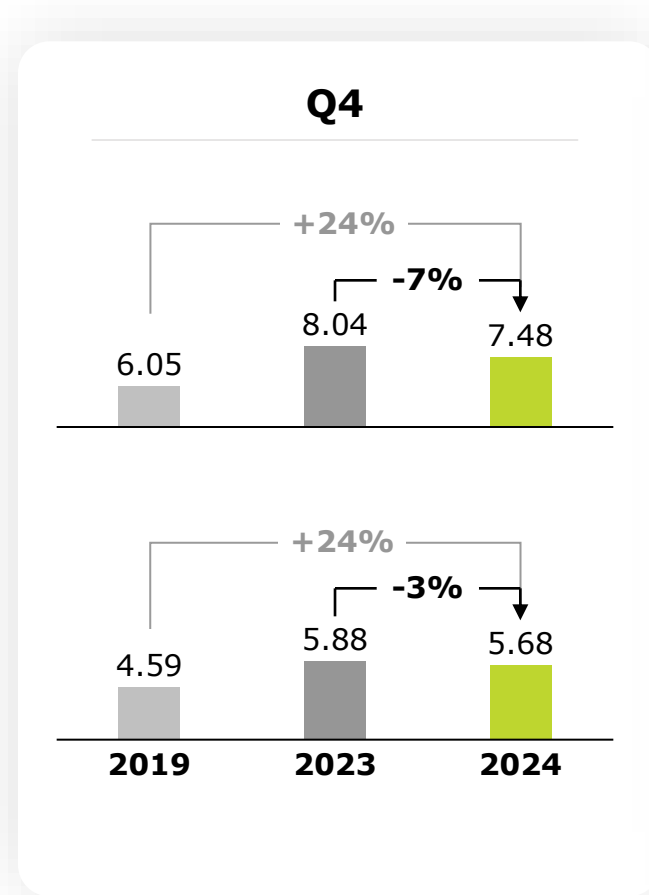
# Unit cost increase driven by new CLAs, partially offset by operational savings

## Recurring CASK

EUR cents

## Recurring CASK ex-fuel

EUR cents



## Comments

Q4 CASK ex-fuel decrease compared to 2023, primarily driven by lower employee unit costs, as Q4'23 was impacted by CLA cost recognition. Further reduction in Q4 CASK due to lower fuel costs

FY CASK decrease vs. 2023, driven by lower fuel costs and reduced traffic operating costs (ACMI and IROPs), partially offset by higher unit employee costs. CASK ex-fuel increase as higher employee unit costs offset the reduction in traffic operating costs

# Stable operating results

## Recurring EBITDA<sup>1</sup>

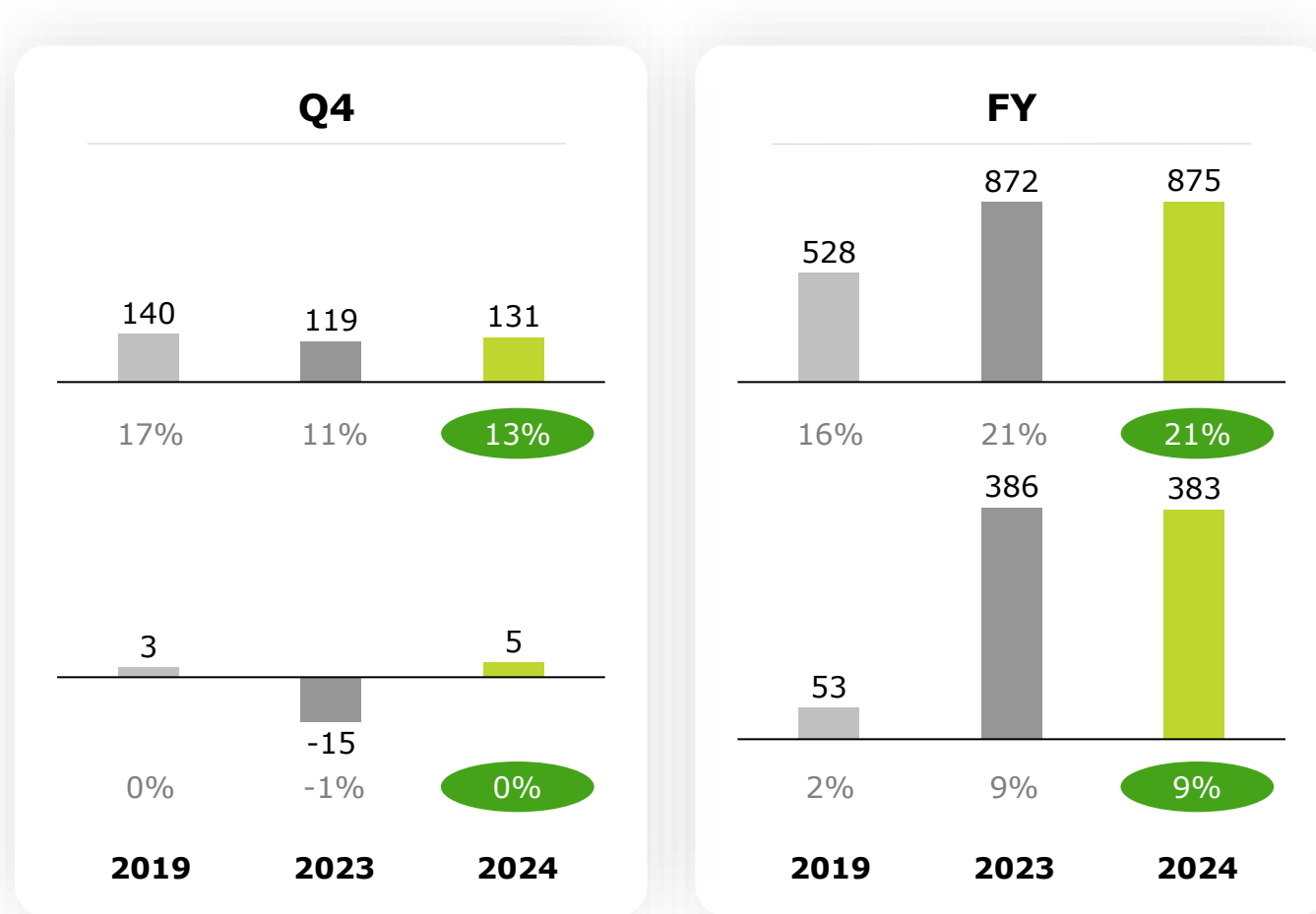
EUR million

Margin

## Recurring Operating Result<sup>2</sup> (EBIT)

EUR million

Margin



## Comments

Q4 operating results improved, despite being impacted by extraordinary non-flown revenues

Stabilization of the FY operating results and margins

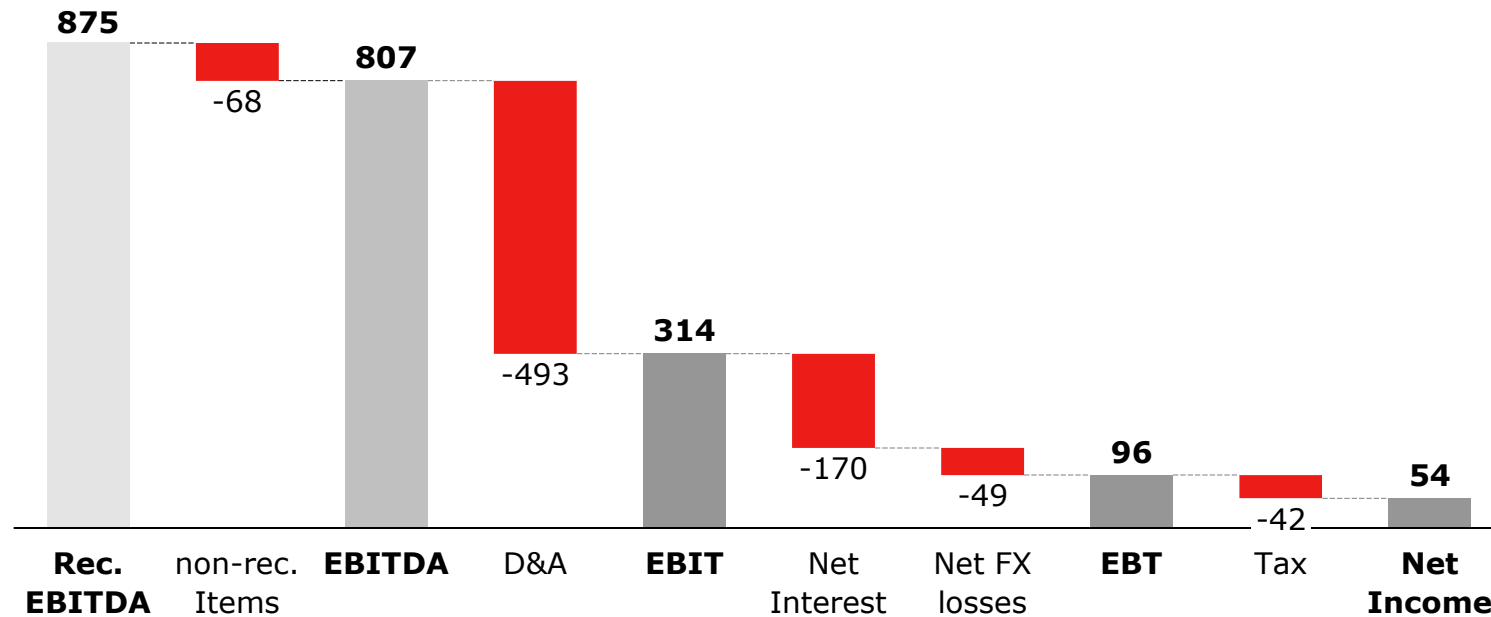
<sup>1</sup> Recurring EBITDA = Operating Result + Depreciation, Amortization and impairment losses + Restructuring + Other Non-Recurring items

<sup>2</sup> Recurring EBIT = Operating Result + Restructuring + Other Non-Recurring items.

# Net income of EUR 54M

## FY 2024 Net Income bridge

EUR million



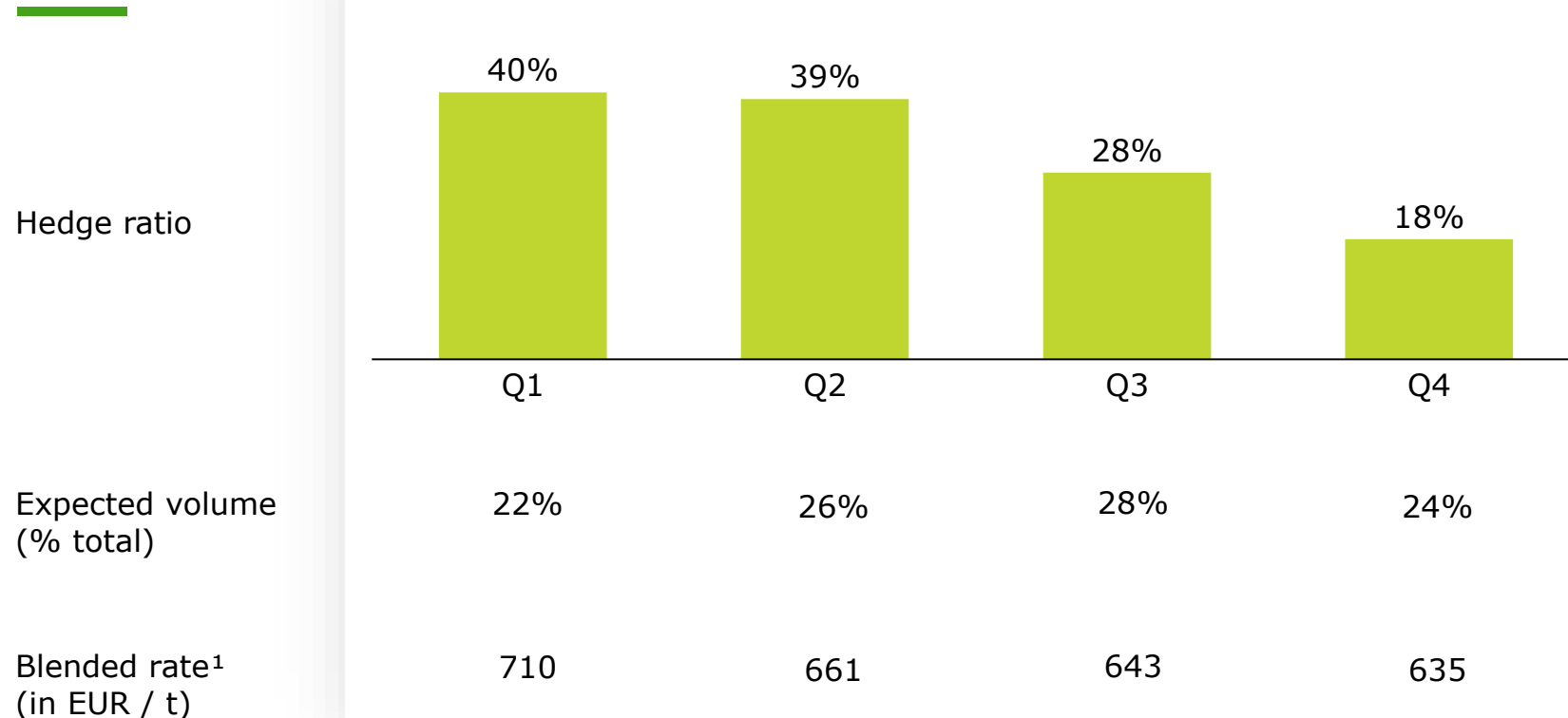
### Comments

FY24 net income supported by the consolidation of operating margins

Negative impact from extraordinary labour provisions, under the non-recurring items, and FX losses, namely with the Brazilian Real, contrasting with the profit recorded in FY23 (+EUR 30m)

# Hedging Strategy flexibility ensures FY 2025 expected fuel costs at EUR 1bn

## Fuel Hedging



## Comments

TAP pursues a flexible hedging strategy based on a combination of statistical market model and fundamental analysis

Current hedge ratio for the FY 2025 is around 31%, with the strategy in place being steadily and consistently deployed

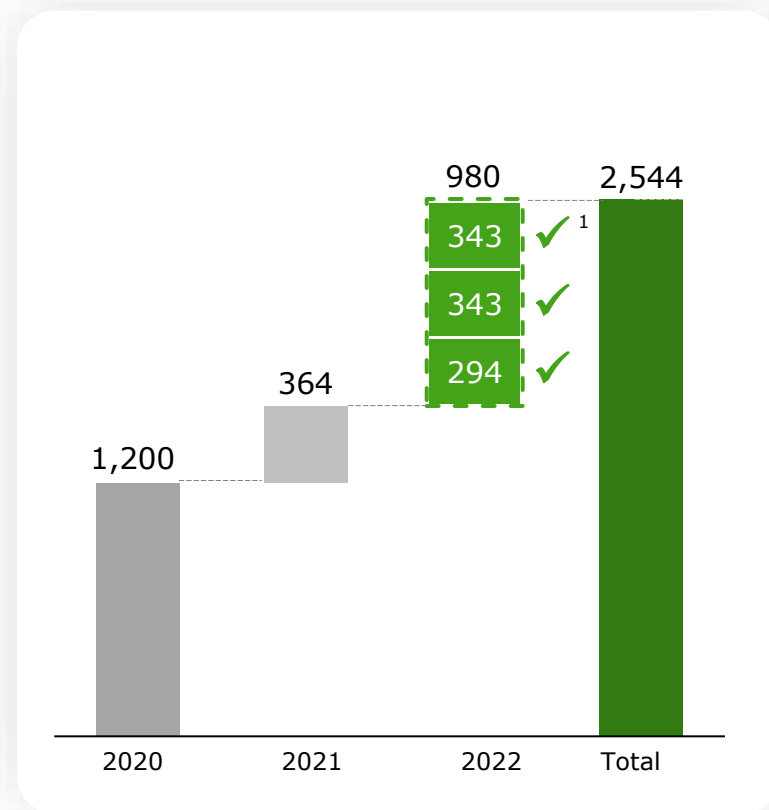
Current hedge ratio and portfolio allocation allows TAP to take benefit of current low jet fuel prices without endangering its protection against potential price upsides.

<sup>1</sup>Based on forward jet fuel prices and forward FX rates as of March 21, 2025.

# Optimizing financial structure, with further capital, stable leverage and increased debt maturity

## Restructuring Aid

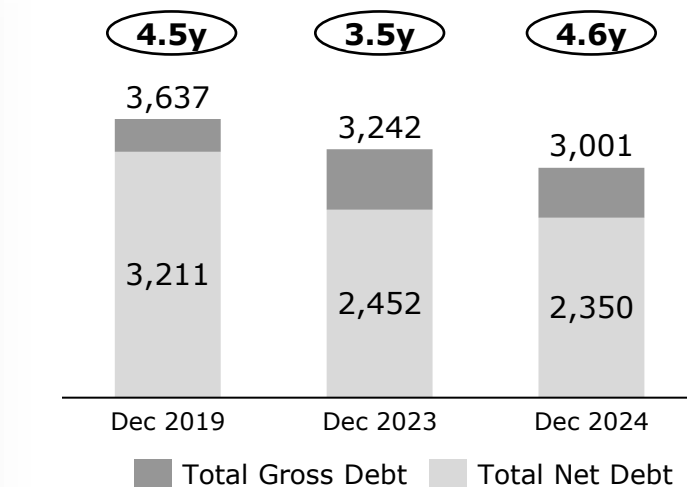
EUR million



## Debt

Eur million

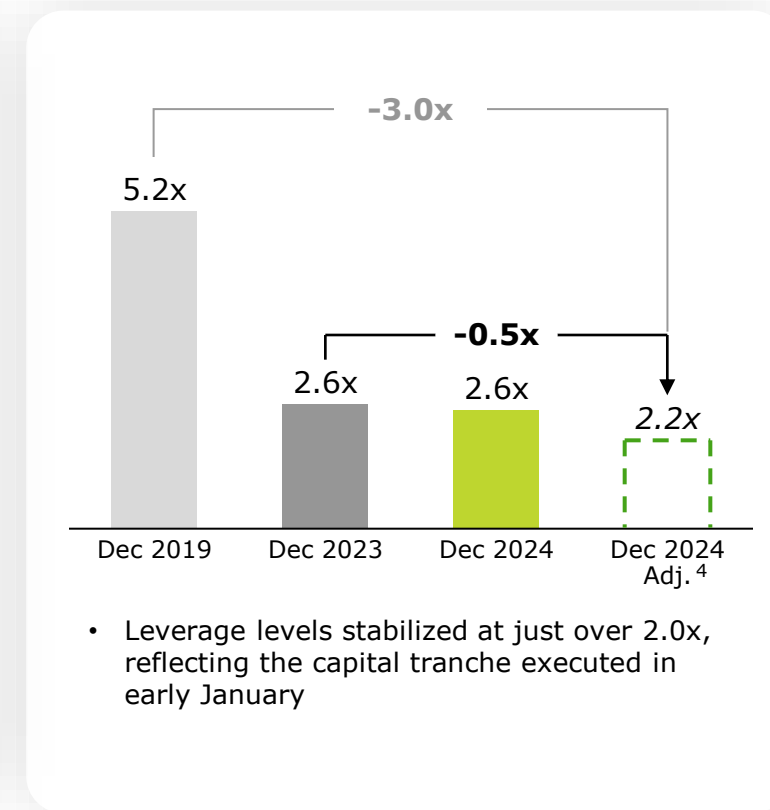
Avg. Debt<sup>3</sup> maturity



- Increase of debt maturity, refinancing of senior notes with significant spread reduction and early repayment of the Syndicated Loan.
- Debt reduction due to PGA consolidation (approx. EUR 100M)
- 68% of the financial debt is fixed rate

## Leverage<sup>2</sup>

Net Debt / Recurring LTM EBITDA



- Leverage levels stabilized at just over 2.0x, reflecting the capital tranche executed in early January

<sup>1</sup> Third capital tranche executed on January 17<sup>th</sup>, 2025 | <sup>2</sup> Net Debt / Recurring LTM EBITDA = Net financial debt + Lease liabilities without purchase option - Brazil flown receivables & other cash equivalents / Recurring EBITDA trailing 12 months | <sup>3</sup> Considering only financial debt | <sup>4</sup> Adjusted including the third capital tranche

# Senior notes offering, with significant credit value creation

## Senior notes offering

	Nov24 issuance	Mar25 issuance
<b>Principal amount</b>	EUR 400m	EUR 200m
<b>Coupon</b>	5.125% at Par	5.125% at 102.750%
<b>Tenor</b>	5 year	5 year
<b>Call protection</b>	NCL, 6m par	NCL, 6m par
<b>Use of proceeds</b>	Alongside cash from balance sheet, to refinance existing senior notes, repay Portuguese banks loan and pay related fees and expenses	Cash on balance sheet to be used for General Corporate Purposes
<b>Rationale</b>	Optimize financing structure and comply with the Restructuring Plan commitments	Further optimize the financing structure, taking advantage of strong market conditions and financial performance

## Credit value creation

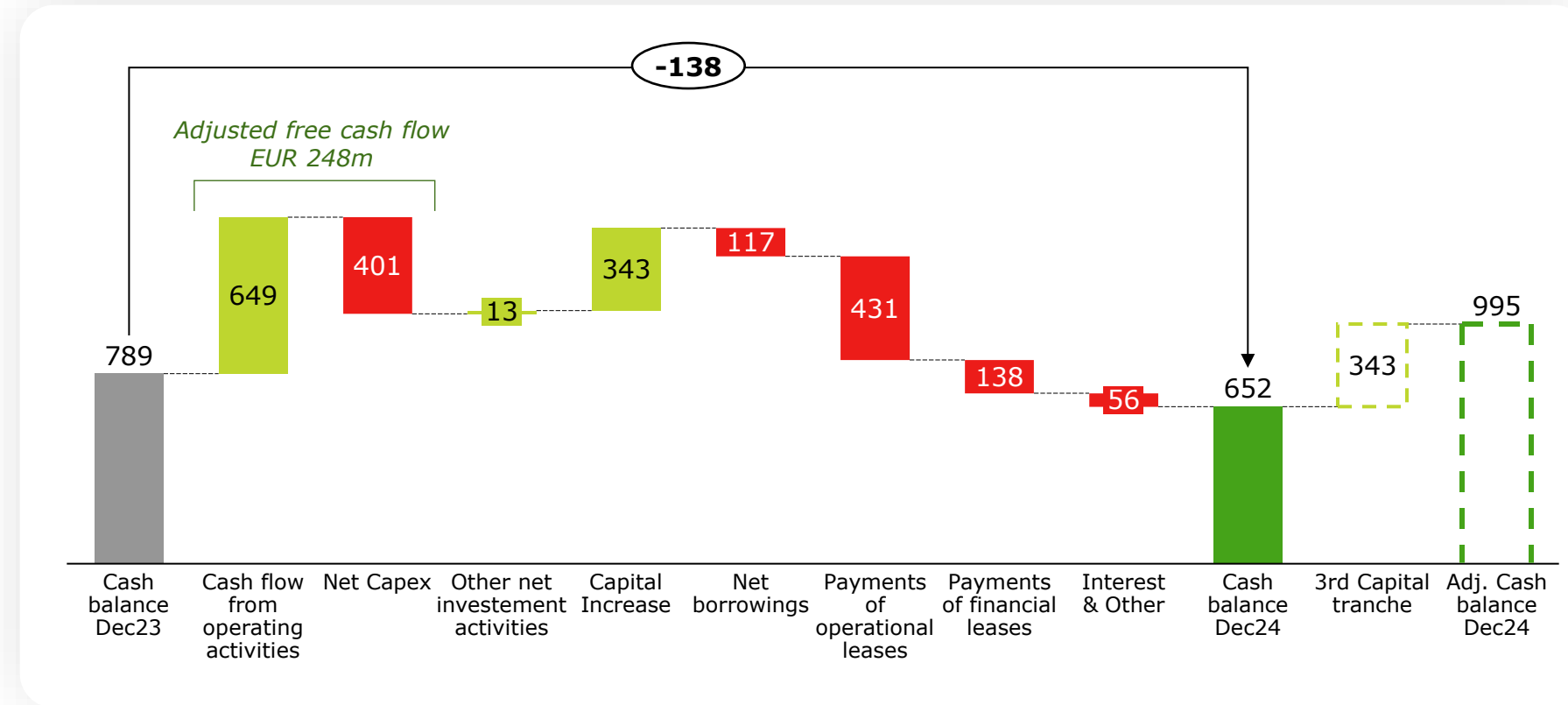
	Senior notes 2019-2024	Senior notes 2024-2029 Nov24	Senior notes 2024-2029 Mar25
Credit Rating	BB- / B2	BB- / Ba3	BB- / Ba3
Yield to Maturity	5.75% <sup>1</sup>	5.125%	<b>4.467%</b>
Government Benchmark <i>German Bund</i>	-0.59% <sup>2</sup>	2.245% <sup>3</sup>	2.245% <sup>3</sup>
<b>Spread</b>	<b>634 bps</b>	<b>288 bps</b>	<b>227 bps</b>
<b>Credit premium improvement</b>			
		346 bps	61 bps
		407 bps	

1. Yield to maturity of the 2024 Senior Notes issuance on 22-Nov-19 based on 5.625% coupon and 99.463 purchase price
2. Refers OBL 0% due October 18, 2024. Bloomberg as of November 22, 2019
3. Refers to OBL 2.500% due October 11, 2029. Bloomberg as of October 30, 2024

# Adjusted free cash flow generation

## Cash bridge Dec23 to Dec24

EUR million



### Comments

Significant investment driven by fleet renewal and higher maintenance levels, further impacted by the fleet's flight cycles, leading to a concentration of maintenance activities



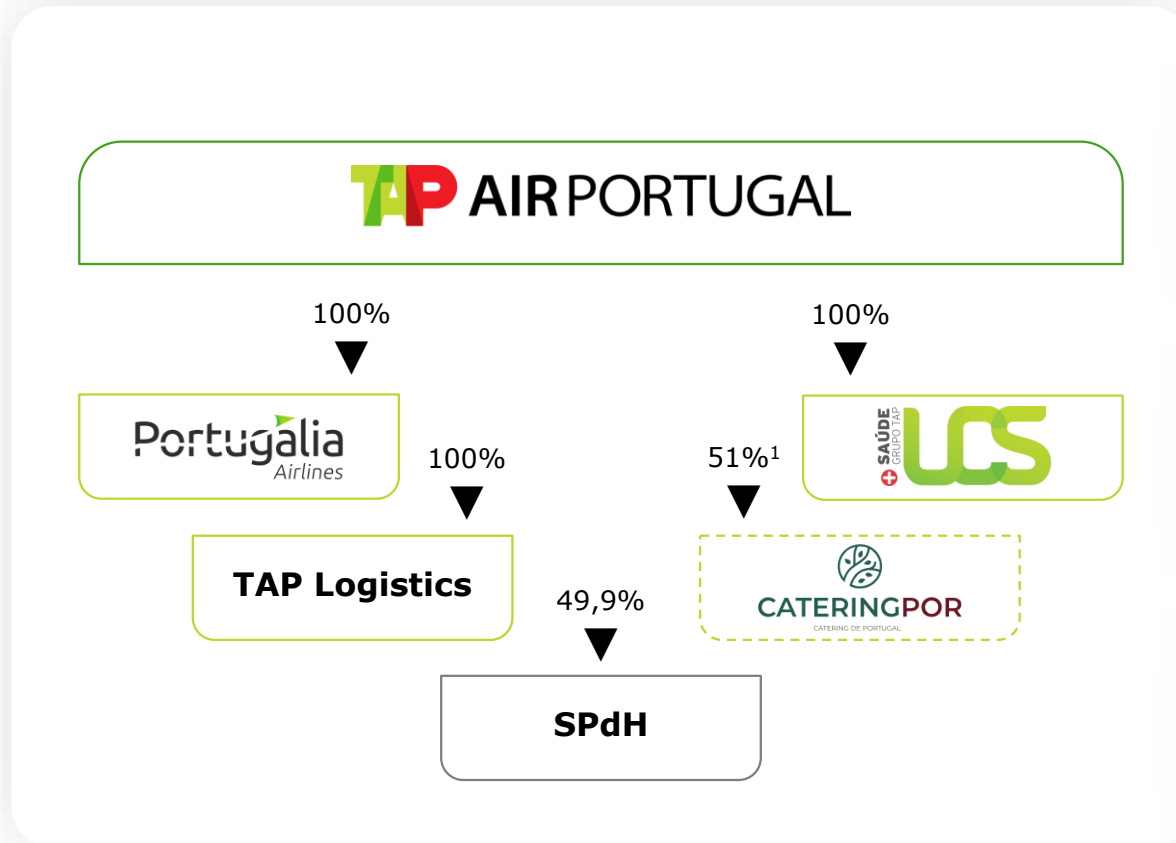
# Outlook



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# Aligning the group with the integration of UCS and Cateringpor

## New structure as of January 2025



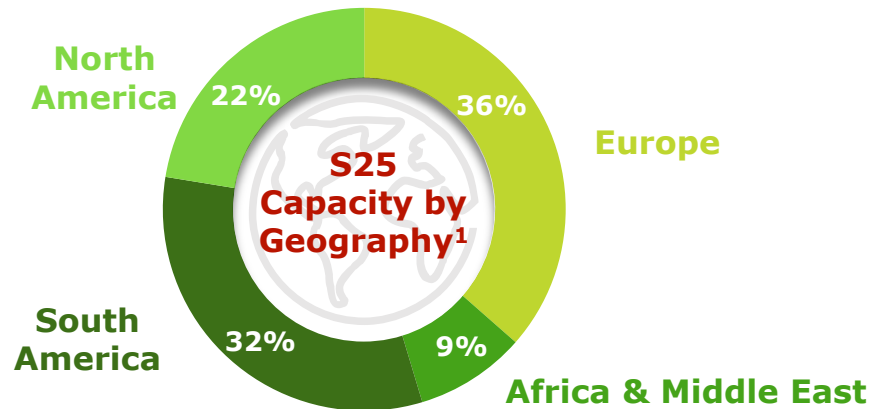
<sup>1</sup> Subject to suspensive conditions, including the approval of the Portuguese Court of Auditors (Tribunal de Contas).

	 Sector	 Headcount <sup>2</sup>	 Operating income <sup>2</sup>
 	<b>Aviation</b>	<b># 9,058</b>	<b>EUR 4,2bn</b>
 	<b>Health Services</b>	<b># 100</b>	<b>EUR 8-10m</b>
	<b>Catering</b>	<b># 732</b>	<b>EUR 80-85m</b>

<sup>2</sup> Information for FY2024. Provisional figures for UCS and Cateringpor

# Supporting growth with expanded network and fleet renewal

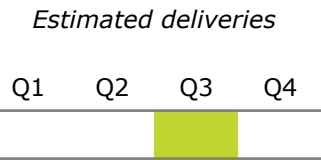
## FY25 New destinations & Summer capacity



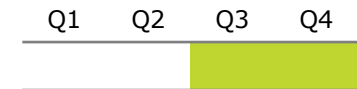
## FY25 fleet investment<sup>2</sup>



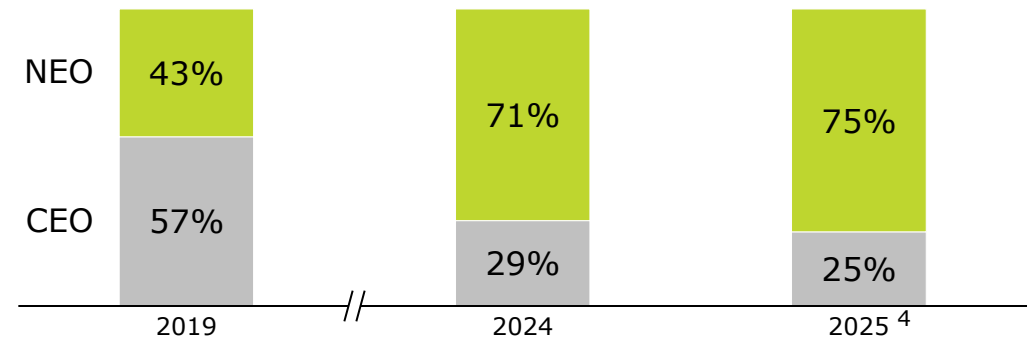
**A320NEO +1**



**A321NEO +2**



### Neo share<sup>3</sup>:



<sup>1</sup> Measured in ASKs | <sup>2</sup> The deliveries will be compensated by phase-outs complying with fleet cap | <sup>3</sup> Share of neo aircraft of Airbus fleet | <sup>4</sup> Breakdown may change as it is dependent on external factors and suppliers, including delays

# Driving Sustainability: Certification, Strategy, and Compliance



## IATA Environmental Certification

**TAP and Portugália have successfully obtained the IEnvA certification in 2024**



## ESG Risk Rating

23.0<sup>1</sup> assessed by Morningstar Sustainalytics. Better score than 76,2% of the airlines in this index on a global scale



## Planet

Sustainability as the 5<sup>th</sup> pillar of TAP's strategic initiatives



## Sustainable Aviation Fuel (SAF)

Exploring strategic options to have a clear roadmap for the next decade, aligned with industry's carbon net zero ambition



## Sustainable Cabin

Program to reduce waste onboard and promote reuse and recycling



## Compliance

Incorporate the requirements of the new Corporate Sustainability Reporting Directive (CSRD)

<sup>1</sup> Information obtained on March 6, 2025, via [Sustainalytics | Issuer Gateway](#)

# FY25 Outlook



**Forward booking load factors in line with previous year** despite increased capacity



**Competition in key markets expected to continue to increase**, putting further pressure on yields



**Pressure on operating margins** from cost increases and macroeconomic uncertainty, which may affect both revenue and costs



**Ongoing cost reduction and efficiency programmes** being implemented



**Strategic roadmap** in place to prepare TAP for the post-restructuring plan with focus on financial sustainability and operational efficiency



# Q&A



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The logo for TAP Air Portugal, featuring the letters 'TAP' in a stylized font. The 'T' is green, the 'A' is yellow, and the 'P' is red. To the right of this is the text 'AIR PORTUGAL' in a bold, black, sans-serif font.

**TAP AIR PORTUGAL**

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