

Q1 2024 Results Presentation



Transportes Aéreos Portugueses, S.A.
Lisbon, May 10th, 2024

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Q1 2024 Review



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Q1 2024 key highlights

- **Improved operational performance**, with increased passengers, capacity and load factor versus Q1 2023
- **Further growth in revenue**, supported by passenger revenue with higher PRASK and higher yield
- **Recurring EBIT of EUR -43m**, driven by higher employee costs as result of new CLAs
- **Continued positive trend in Operations**, with further increases in punctuality and regularity levels
- **Positive outlook for the Summer**, based on a resilient demand and forward bookings



Q1 2024 results

Revenues

Recurring EBITDA

Margin

Recurring EBIT

Margin

Net Income

Q1 2024

vs. Q1 2023

EUR 862m

+3%

EUR 84m

-EUR 36m

10%

EUR -43m

-EUR 33m

-5%

EUR -72m

-EUR 14m



Overall yield increased by 2%, supported by Europe market

North America

ASKs % vs.Q1 23	+5%
Yield % vs.Q1 23	-5%
Load factor Q1 24	80%
Load factor vs.Q1 23	+0.1 p.p.

Europe

ASKs % vs.Q1 23	-3%
Yield % vs.Q1 23	+12%
Load factor Q1 24	78%
Load factor vs.Q1 23	+1.6 p.p.

South America

ASKs % vs.Q1 23	+13%
Yield % vs.Q1 23	-1%
Load factor Q1 24	84%
Load factor vs.Q1 23	-1.4 p.p.

Africa & Middle East¹

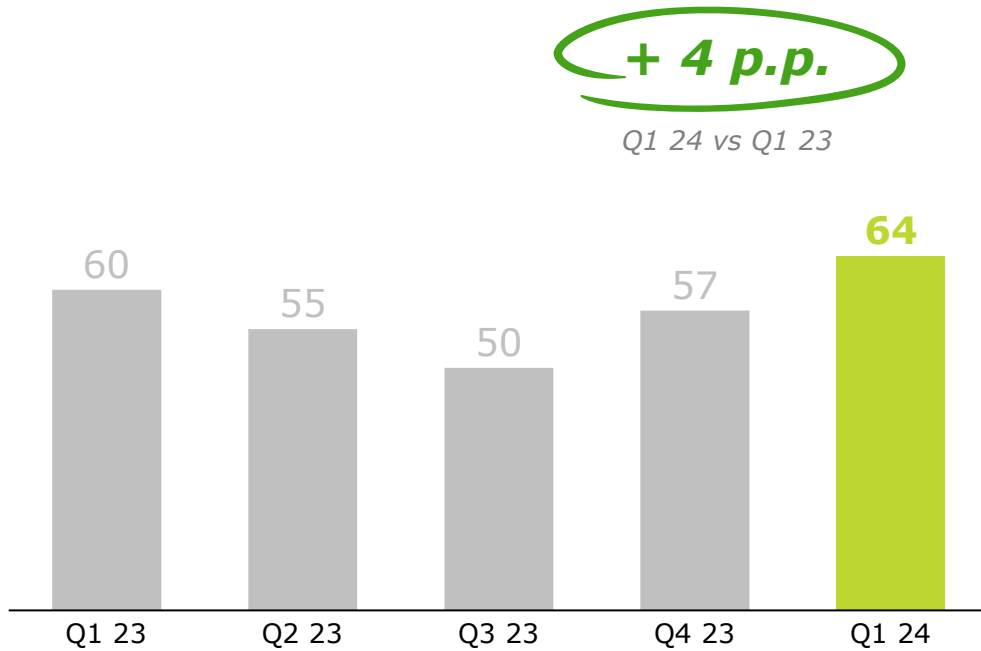
ASKs % vs.Q1 23	-4%
Yield % vs.Q1 23	-6%
Load factor Q1 24	69%
Load factor vs.Q1 23	-1.6 p.p.

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

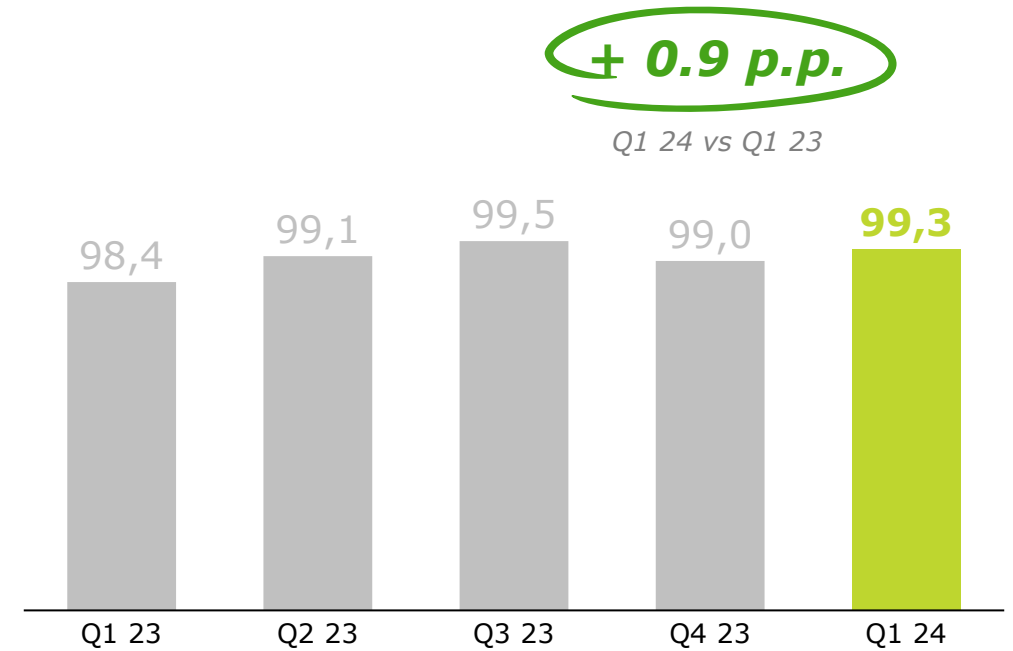
¹Impacted by the end of the Tel Aviv route in Q4 2023

Ongoing positive trend in operations with increased metrics

OTP - D15¹



Regularity^{1,2}



1. Including only regular flights (excludes cargo only & charters)
2. Operational window cancellations

Q1 2024 Results



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Improved operational metrics, with increased capacity, passengers and load factor

ASKs

Billions

Passengers

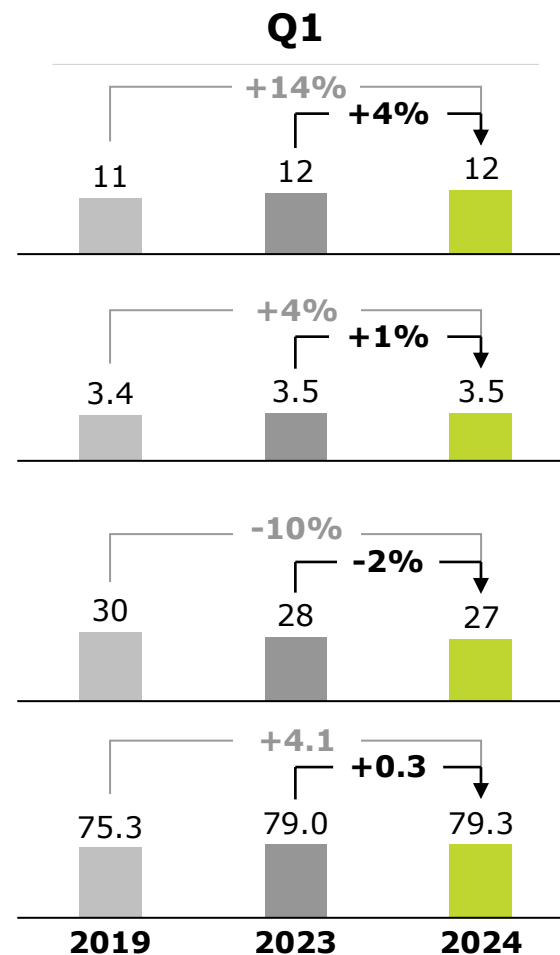
Millions

Departures

Thousands

Load factor

%



Comments

Capacity increase by 4% vs 2023, with ASKs above 2019 levels, reaching 114%, despite smaller operating fleet

Number of passengers increasing vs 2023 and also surpassing pre-crisis levels, reaching 104%

Slight decrease in departures vs 2023, and still below pre-crisis levels, with 90% of 2019 values in Q1

Increased load factors in 2024 when compared to 2023 and 2019

Further revenue increase supported on higher PRASK and yield

Total operating revenue

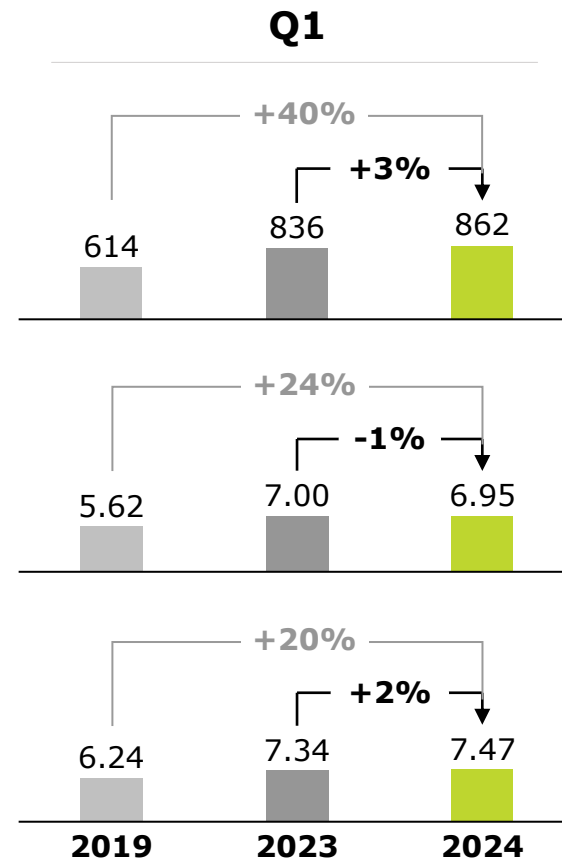
EUR Millions

RASK

EUR cents

Yield

EUR Cents



Comments

Revenue growth in 2024 up 3% vs 2023, driven by passenger revenues (90% of total revenues) up 5% vs 2023

Slight decrease in RASK due to lower Cargo revenues (-EUR 0.11 cents) that offset PRASK increase (+EUR 0.07 cents / + 1.2%)

Increase in yield vs 2023, driven by higher fares and higher ancillaries

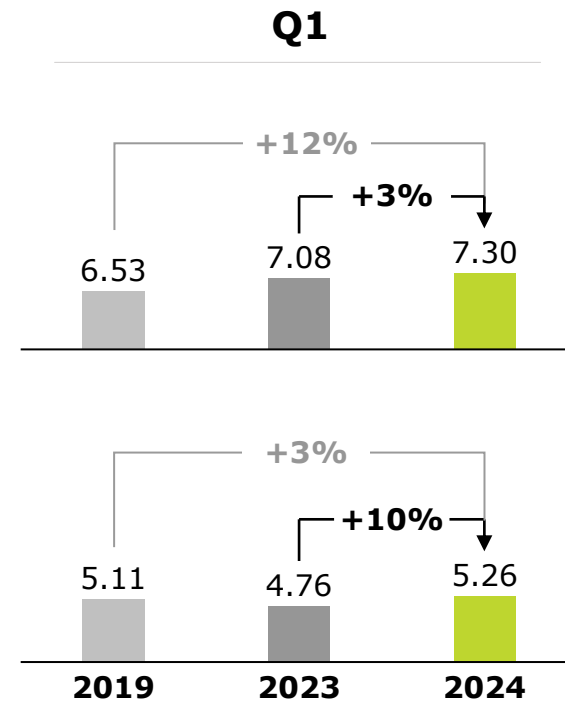
Labour reestablishment with new CLAs leading to higher unit costs

Recurring CASK

EUR cents

Recurring CASK ex-fuel

EUR cents



Comments

CASK increase over 2023 mainly impacted by employee costs, due to new CLAs, and partially offset by fuel costs

CASK ex-fuel increase impacted by new CLAs that entered in force in 2H 2023 onwards

Increase over 2023 impacted by employee one-offs in Q1 2024 and remuneration cuts in place in Q1 2023

Q1 2024 operating results

Recurring EBITDA¹

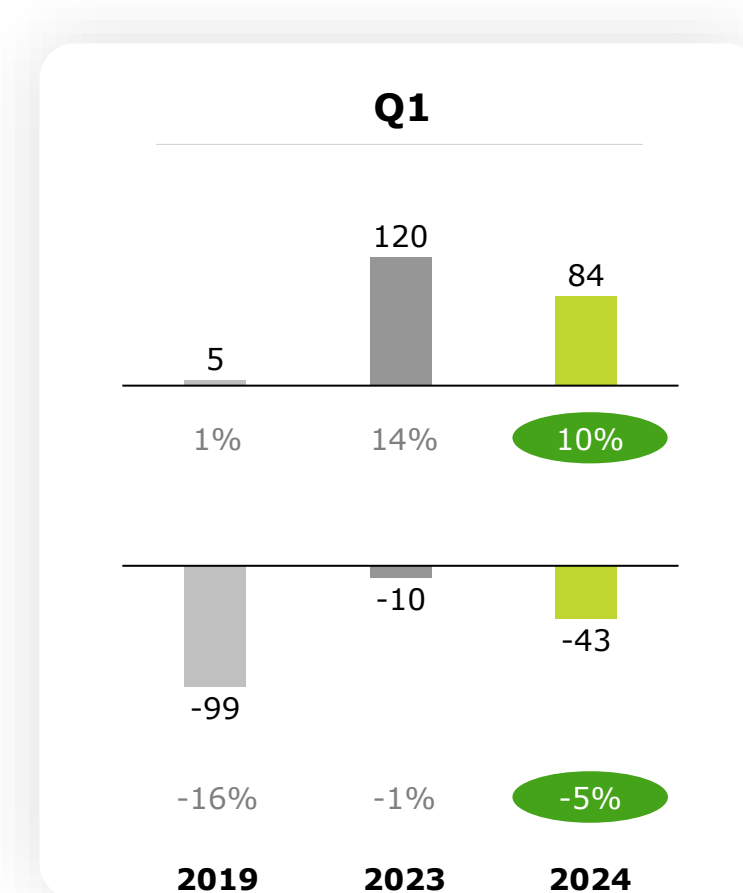
EUR million

Margin

Recurring Operating Result² (EBIT)

EUR million

Margin



Comments

Decrease in 2024 operating margins compared to 2023, despite revenue increase

Q1 2024 performance better than pre-crisis levels (Q1 2019)

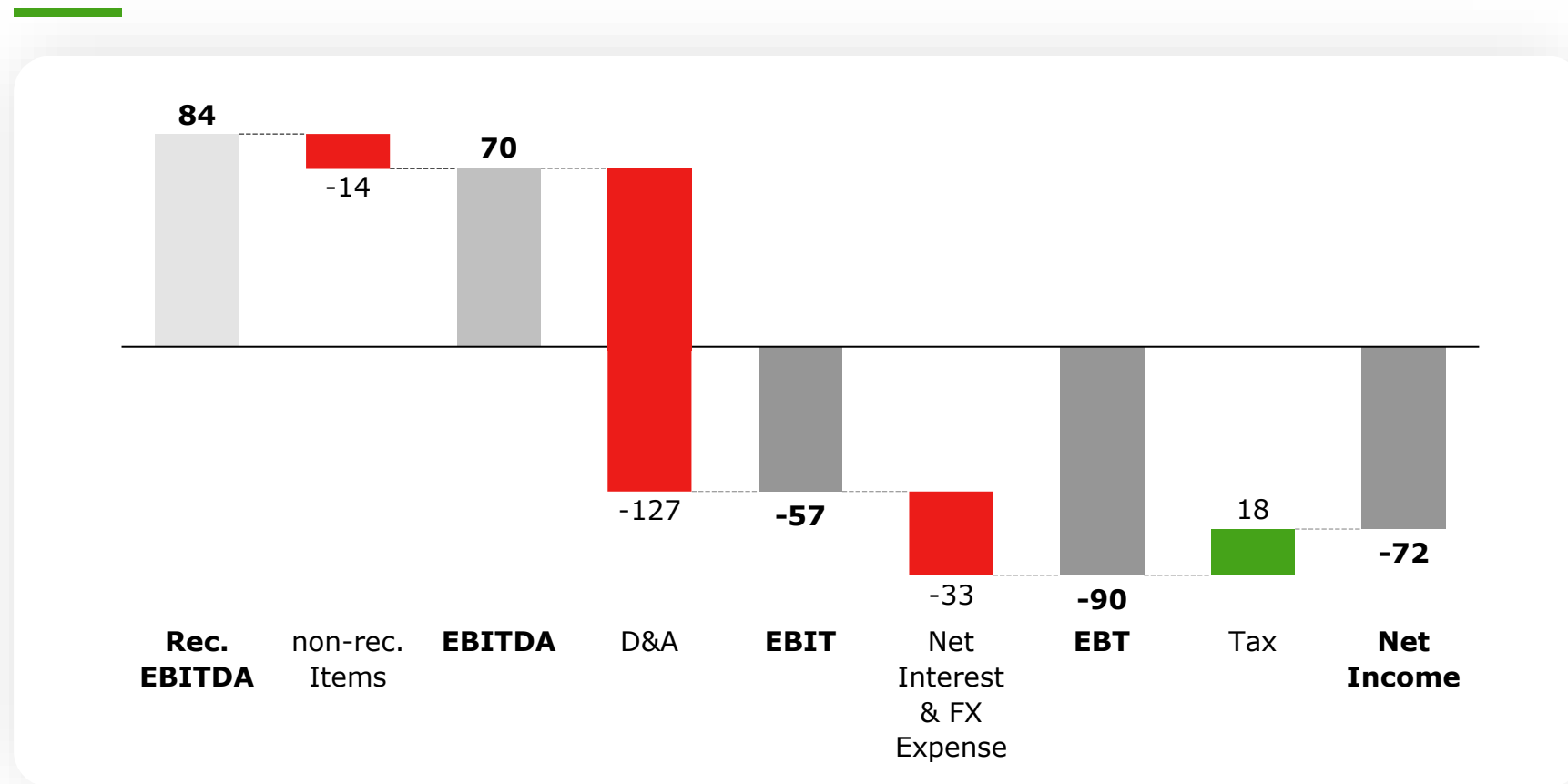
1. Recurring EBITDA = Operating Result + Depreciation, Amortization and impairment losses + Restructuring + Other Non-Recurring items

2. Recurring EBIT = Operating Result + Restructuring + Other Non-Recurring items.

Net income of EUR -72M

Q1 2024 Net Income bridge

EUR million



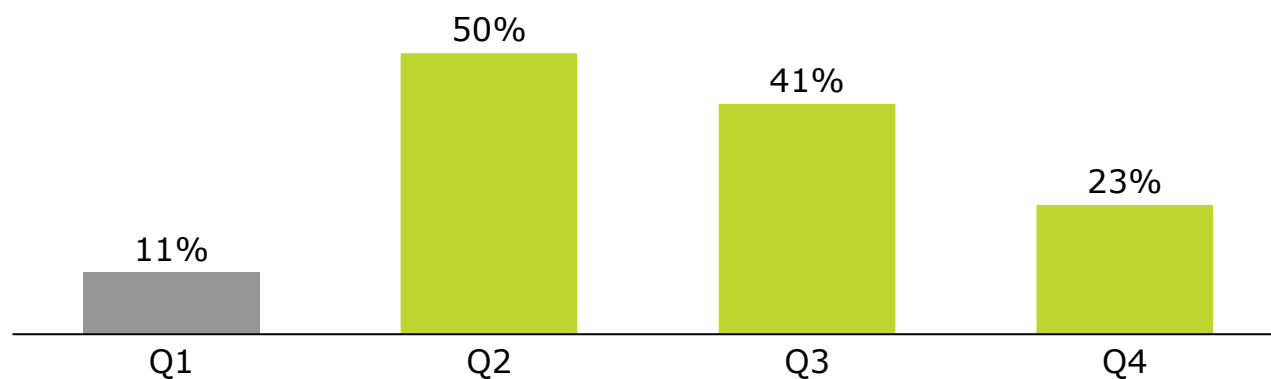
Comments

Improved financial results and positive tax effect decreasing the difference to EUR 14m vs Q1 2023 Net Income (EUR -57m)

FY 2024 expected fuel costs at EUR 1bn

Fuel Hedging

Hedge ratio



Expected volume
(% total)

Q1	23%	Q2	25%	Q3	28%	Q4	24%
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Blended rate¹
(in EUR / t)

Q1	804	Q2	785	Q3	780	Q4	771
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Comments

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

Current hedge ratio for the upcoming quarters is around 38%

1. Based on forward jet fuel prices and forward FX rates as of April 30, 2024.

Outlook



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Key actions for 2024



Outlook for a positive Summer, as booked load factors remain solid showing resilient demand



Continuous investment in a more efficient and modern fleet, with the phase-in of 3 new A320 NEO



Focus on **maintaining operating margins**



Commitment on **executing the strategic roadmap**



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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 light green, and the 'P' is red. To the right of this is the text 'AIR PORTUGAL' in a bold, black, sans-serif font.

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