



Summary of British Airways Plc's Position for the Year Ended 31 December 2022

British Airways Plc, as part of the International Consolidated Airlines Group S.A. (IAG), has shown signs of recovery in the year 2022, following the severe impacts of the COVID-19 pandemic on the aviation industry. The company's strategic and financial performance metrics, along with its debt profile, provide a comprehensive view of its current position.

Financial Performance Metrics:

- **Total Revenue:** The company reported a significant increase in total revenue to £11,030 million in 2022, up from £3,693 million in 2021, marking a recovery as travel restrictions eased and demand for air travel increased.
- **Operating Profit/Loss:** British Airways Plc achieved an operating profit of £322 million in 2022, a notable improvement from an operating loss of £1,769 million in 2021. Before exceptional items, the operating profit was £303 million in 2022 compared to a loss of £1,900 million in 2021.
- **Profit/Loss Before Tax:** The profit before tax for 2022 was £46 million, compared to a loss of £2,104 million in 2021.
- **Passenger and Cargo Metrics:** The company saw a substantial increase in passengers carried, from 10.3 million in 2021 to 33.0 million in 2022. Cargo carried also showed resilience with 393,000 tonnes in 2022 compared to 379,000 tonnes in 2021.

Debt and Liquidity Concerns:

- **Net Debt:** British Airways Plc reported a net debt of £7,921 million in 2022, slightly decreased from £8,063 million in 2021. The net debt to EBITDA ratio was 5.71 times in 2022, indicating a high level of indebtedness but an improvement from the previous year.
- **Long-term Borrowings:** The company's long-term borrowings stood at £9,226 million in 2022, with significant portions secured against fleet assets and subject to various covenants and restrictions, including limitations on dividend payments to IAG.
- **Liquidity:** Total liquidity at the end of 2022 was £5.5 billion, comprising cash, cash equivalents, and undrawn facilities. This represents an increase from £4.5 billion in 2021, indicating a stronger liquidity position to manage operational needs and debt obligations.
- **Government Support and Loans:** British Airways Plc benefited from government support schemes, including a £2 billion loan facility guaranteed by UK Export Finance (UKEF), to navigate the financial challenges posed by the pandemic.

Summary:

British Airways Plc has demonstrated a significant recovery in 2022, with improvements in revenue, operating profit, and passenger numbers. Despite the positive trends, the company continues to manage a substantial debt load, although liquidity has improved. The strategic focus remains on recovery from the pandemic's impact, optimising operations, and managing financial obligations effectively.

This summary provides an overview of British Airways Plc's financial and operational position as of 31 December 2022, highlighting the recovery trajectory and ongoing challenges related to debt and liquidity.