

British Airways owner IAG returns to profit

British Airways owner IAG has returned to profit as the airline industry continues to rebound from Covid-19.

The company said it made an operating profit before exceptional items of 1.26 billion euro (£1.1 billion) in 2022, a swing from a 2.97-billion-euro (£2.62 billion) loss the year before.

All its airlines were profitable last year.

Capacity across the group – which also includes carriers such as Aer Lingus and Iberia – was at 87% of 2019 levels in the final quarter of 2022.

IAG chief executive Luis Gallego said the premium leisure travel segment “performed very well” last year, with leisure bookings ahead of pre-coronavirus levels.

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He added that “demand continues to be strong” and the group is

seeing “robust forward bookings at this point of the year across all routes”.

This year, the business expects to make between 1.8 billion and 2.3 billion euro (£1.59 billion to £2.03 billion).

We are transforming our businesses

Revenue also soared in 2022, from 8.45 billion euro (£7.45 billion) in 2021 to 23.07 billion euro (£20.33 billion)

IAG announced on Thursday night it has agreed to buy the remaining 80% of shares it does not own in Spain’s third largest airline Air Europa for 400 million euro (£353 million).

Mr Gallego said 2022 was “a year of strong recovery, driven by sustained leisure demand and markets reopening”.

He added: “At this point of the year we continue to see robust forward-bookings, while also remaining conscious of global macro-economic uncertainties.

“We are transforming our businesses, with the intention of returning IAG to pre-Covid levels of profit within the next few years, through major initiatives to improve customer experience and operational performance.

“Our unique group structure allows us to maximise revenue and cost synergies, and invest capital to achieve strong returns, whilst continuing progress towards net zero by 2050.”

Mr Gallego went on: “With the acquisition of Air Europa now agreed but subject to regulatory and other approvals which could take around 18 months, we are intending to welcome another leading airline to the group.

“This acquisition will enable us to grow Madrid as a hub, offering a gateway to [Latin America](#) and beyond, with benefits

for customers, employees and shareholders.

“I would like to thank the teams across IAG for their exceptionally hard work in addressing the challenges of ramping up the operation throughout the year.”