



Transcript of Abra's Fourth Quarter and Full Year 2025 Pro Forma Performance Conference Call
March 31, 2025

Participants

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Nicolas Alvear - Chief Financial Officer, Avianca
Celso Ferrer, Chief Executive Officer, GOL
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Analysts

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Presentation

Operator

Greetings. Welcome to the Abra Group's Q4 FY2025 Performance Call. At this time, all participants are in listen-only mode. A question-and-answer session will follow the formal presentation [Operator Instructions] Please note this conference is being recorded.

I would now like to turn the conference over to your host, Maria Ricardo, Head of Investor Relations. You may begin.

Maria Ricardo - Head of Investor Relations, Abra Group Limited

Thanks, operator. Good morning and thank you for joining us today. With me are Adrian Neuhauser, Chief Executive Officer of Abra; Manuel Irarrazaval, Chief Financial Officer of Abra; Gabriel Oliva, President of Avianca; Nicolas Alvear, Chief Financial Officer of Avianca; Celso Ferrer, Chief Executive Officer of GOL, and Julien Imbert, Chief Financial Officer of GOL.

Our financial statements for the year ended December 31st, 2025, as well as the presentation we will reference today are available on our investor website, abragroup.net. This call is being recorded and a replay will be available shortly after the call concludes.

Before we begin, I would like to remind you that on June 6, 2025, GOL successfully emerged from Chapter 11 reorganization, at which point, Abra became the controlling shareholder of GOL and began consolidating its financial results. Accordingly, GOL's results are included in Abra's consolidated financial



results from that date forward. To facilitate comparability of financial and operational performance, our remarks today will reference pro forma results as if Avianca and GOL were combined for the full year periods presented for both 2025 and 2024.

Today's discussion may include forward-looking statements which are not a guarantee of future performance or results and involve a number of risks and uncertainties that are outside the company's control, including those related to the company's current plans, objectives, and expectations. These statements are subject to risks and uncertainties that could cause actual results to differ materially from our expectations. The company assumes no obligation to revise or update any forward-looking statements.

We'll begin with an overview of the business, followed by a review of our operational financial performance for fourth quarter and full year 2025, and closing remarks before opening the call for questions. With that, I will turn the call over to Adrian. Adrian?

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited

Thank you, Maria Cristina. Hi, everyone, and thank you for joining us. If we can turn to Page 4, please. This is the first quarter where we are presenting our consolidated results as a group. We're really excited about this and proud of what we're going to show you.

Slide 4, for those of you that have not joined us before, is just a summary of really what we are. We are today the second largest airline group in Latin America with the result of the consolidation of three main carriers, Avianca, which is the number one airline in Colombia, Ecuador, and in Central America; GOL, the second largest airline in domestic Brazil; and Wamos, a European ACMI provider.

By putting together those groups over a few short years we've created - or those airlines - over a few short years, we've created the second largest group in the region with over 300 aircraft, 375 routes, over 70 million passengers a year, 30,000 employees, importantly, the strongest order book in the region, both on the narrowbody and widebody side, and also an agreement in principle to acquire Sky, which would add to our footprint, domestic Peru and domestic Chile.

Turning to Page 5, what did we achieve this year? First of all, we, as Maria Cristina highlighted, we successfully completed GOL's restructuring, with GOL emerging from its bankruptcy as a more sustainable and competitive airline, and with Abra resulting as the controlling shareholder of GOL. We continued driving synergies. Today we have over \$180 million dollars cumulative in value creation by increasing coordination across fleet, procurement, network, commercial, and loyalty.

And we strengthened our leadership team as we drive more coordination through the group. We now have a Chief Procurement Officer, a Chief Loyalty Officer, and Chief Corporate Responsibility Officer at the group level. On the operational side, we announced a robust incremental fleet plan, and then the expansion of our widebody strategies, adding 330s and 350s to enable future growth and drive more efficient operations.

We enhanced our value by coordinating our airlines more and beginning the process of aligning our products to drive an improved travel experience and operational excellence. And we continue to



progress in sustainability, delivering ongoing improvements in fuel efficiency while improving connectivity in the region.

What does this mean financially? It means we achieved a Pro Forma Adjusted EBITDAR growth of 26%, \$2.7 billion for the year at a 27.4% margin. That's an over 300 basis point increase. We ended the year with liquidity at over \$2.5 billion, about 25% of our LTM revenues, and net debt-to-LTM EBITDAR decreasing sequentially to 3.3 times.

Both of our important additional business units, cargo and loyalty, delivered strong performance, cargo in particular delivering approximately \$1.6 billion in revenue generation on a pro forma basis. And importantly, and we'll talk about this later on, we aligned accounting policies across the airlines in line with market standards.

Turning to Page 6. So what are we today? As we said, second largest group in the region, both of the key airlines in the region performing admirably, 98.3% scheduled completion for Avianca and 99.2% for GOL, both airlines with some of the strongest on-time performance in the world. Continued to drive brand loyalty, one of the largest loyalty programs in the world, combined with over 46 million members, a 34% increase in premium customers through our networks, 7% increase in gross billings, and the program members share of our total passengers on average at about 50%.

We drove an enhanced customer experience. We upgraded our premium offering through Avianca and VIP lounges and Insignia check-in in Bogota, and we enhanced our long-haul Insignia experience on the transatlantic routes. We've rolled out business class across the entire Avianca network, and we announced a fleet expansion adding seven A330-900s to support international growth for the group. Up to five of those will initially go to GOL and two to Avianca.

Turning to Page 7, the consolidated business indicators. ASK is growing nearly 12% for the group, with load factors holding at above 80%; passengers increasing by 5%; average fare in the network increasing; PRASK holding almost flat, and CASK holding about flat.

Let's turn to Page 8, if you look at the two carriers to understand what's going on in the underlying, both carriers showing strong growth in their networks. GOL, if you'll remember, putting its fleet back in the air and recovering its operations as it worked through its bankruptcy, but also an important redesign in the network with GOL increasingly focused on strengthening its Rio hub.

Avianca continuing to grow by expanding stage length and expanding flights out from Bogota into the rest of the region. Passengers in Avianca decreasing slightly as we extended the stage length over 7%. Average fare increasing, at GOL, passengers increasing pretty much in line with the growth of the network. PRASK at both companies holding, in spite of the very strong network expansion, and CASK at Avianca continuing to decrease slightly, at GOL holding basically flat, passing through a little bit of inflation at about 4%.

Turning to Page 9, handing it off to Manuel Irarrazaval, our CFO, to continue with the conversation.



Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited

Thank you, Adrian, and good morning, everyone. I'll walk you through our financial performance for the full year. Maybe we start in Page 9 on the Pro Forma Revenues. Pro Forma Revenue for this year has increased 11% to \$9.7 billion. That is driven in about 8% by passengers' revenue, as Adrian was explaining before, and a very strong increase in other revenues in cargo and others with an increase of 31%.

In terms of our EBITDAR, the company delivered a very strong Pro Forma Adjusted EBITDAR, growing almost 26% to \$2.7 billion for the full year, with a margin of 27%. If you look at that number as of the fourth quarter in particular, it had a margin of 30.6%, which is a very strong margin and reflects the great performance of bringing in GOL and the improvement of GOL's margin over the fourth quarter and a very favorable seasonality in the fourth quarter.

I would like to highlight that we are not highlighting the metrics below EBITDAR, as depreciation and interest are available under our current accounting policies, and therefore the year-over-year comparison is not very meaningful. However, the numbers are in the back of this deck.

If we go to Page 10 and we look at the balance sheet, we have ended the year with strong liquidity, almost \$2.5 billion of liquidity, which implies a 25% ratio of liquidity over revenues for the year, which we believe is a very strong point. In terms of net debt, we had a 16.6% reduction of net debt over the year, mainly coming from the restructuring of GOL. That has taken our net debt-to-EBITDAR, the net leverage metric down from 5 times before in '24 to 3.3 times. And this is an important driver for us, and we will continue deleveraging as time goes on.

If we go to the next slide, Slide 11, you can see the performance for the fourth quarter in particular. You can see ASKs at 31.2 (billion) with a load factor of 82.6%, which has helped us deliver an EBITDAR margin of 30.6%, as I said before, and again highlight to you the level of leverage and liquidity that we are finishing the year.

Going next to Page 12, I will also touch on the point of the fuel volatility. As you all know, we have been monitoring very closely the events happening in the Middle East and the impact that fuel has on our operations. In general terms, in these months, a \$1 increase in jet fuel price has resulted in a \$70 million impact on our monthly fuel expense, which means that to compensate that, we will need to increase prices in about 10% for every dollar that has increased.

What have we been doing? On the right side, you can see that we have hedged 50% of our fuel needs for the months between March and May, putting in place a zero-cost collar with a call strike at \$2.45. That was a very good protective measure that we took right before the war started, and we have increased that hedging recently with another 14% of the fuel needs until the end of August at a strike price higher, of course, because the market has moved up significantly.

In Brazil in particular, the fuel pricing mechanism going through Petrobras allows the companies to feel the impact of fuel with a month of delay, and that has given the companies time to try to pass through some of this into price. We continue to work with our commercial teams, continue to work very disciplinedly on price management and being able to pass prices over to the tickets and to compensate for the increases in cost.



With that, I finish this section on the financial results, and I will pass it over to Gabriel so that he can cover Avianca's full-year performance. Gabriel, all yours.

Gabriel Oliva - President, Avianca

Thank you. Thank you so much, Manuel, and welcome, you all. If you turn to Page 14, I will give you highlights of Avianca's full-year performance in 2025. More on the operational level, as Adrian commented, we're pretty proud of what we achieved.

We continue expanding our network. We launched 13 new international routes with four completely new destinations, reaching more than 160 routes, finishing the year at 83 destinations in 27 countries. As was commented before, we finished that reallocation of capacity, expanding our stage length, moving capacity from domestic Colombia into international markets, driving more than 7% our stage length and a much more healthier and balanced supply-demand dynamic.

We invested and we continue investing in our product and brand loyalty. Right now, we have completed our roll-out of business class in the entire network, including all our domestic markets. We opened new VIP lounges and dedicated Insignia, which is our transatlantic business class, check-in space in Bogota, and strengthening our premium customer and loyalty value proposition.

And in the operational level, as it was touched upon before, we delivered a very robust performance, which we are proud of, while we navigated pretty industry-wide challenges with engines that affected most of our family types of aircraft.

On the financials, we achieved, as Avianca, an adjusted EBITDAR of \$1.5 billion, which was more than 20% growth year-over-year at a 26.5% margin, more than 200 basis points growth year-over-year.

We, as Manuel was saying, at Avianca we continued reducing our net leverage sequentially to 2.7 times, and liquidity reached \$1.4 billion, which is close to 25% of last 12-month revenues. And that includes a \$200 million undrawn revolving credit facility. And on our business units, we're very proud of the performance. They achieved cargo, strong performance with market dynamics supporting that, and we completed our strategy of a network re-design, re-fleeting our cargo network, right now having nine A330 freighters across our cargo network. And in Lifemiles, we reached 16 million members and customers by year-end, which is more than 14% growth year-over-year. And at Wamos, we delivered first full year performance within the group, supported by very strong wide-body demand.

So, turning to Nico to get more into the financial, thank you very much.

Nicolas Alvear - Chief Financial Officer, Avianca

Thank you very much, Gabriel, and good morning, everyone. Turning to Slide 15, and delving deeper into financial performance, you can see that Avianca generated EBITDAR of about \$1.5 billion, up 21% year-over-year, with margins expanding by over 200 basis points to 26.5%. Importantly, fourth quarter EBITDAR, which you can see in the appendix, reached \$463 million at a margin of almost 30%, which is about 60 basis points stronger versus last year. So, overall, this reflects the combination of disciplined capacity growth, improved network efficiency, continued cost control, and higher premium revenue generation driven by the rollout of business class across our network and the strengthening of our loyalty program.



Also, as Gabriel mentioned, our cargo business, Lifemiles, and Wamos posted remarkable performance during the quarter and the year. You can appreciate that EBITDAR generation translated into continued balance sheet strength, with liquidity increasing \$110 million to roughly \$1.4 billion, representing about 24% of last 12-month revenue. And notably, our net leverage declined to 2.7 times, down sequentially from 2.8 times in the prior quarter, and from 3.3 times in the prior year, driven by EBITDAR growth and relatively stable net debt.

Between early 2025 and early 2026, we continued to strengthen our capital structure, refinancing approximately \$1.75 billion of debt, mostly our bonds due 2028, pushing out maturities to 2030 and 2031, and optimizing the use of our collateral. So, overall, our operating performance is giving us greater flexibility to manage through the cycles, continue investing in our business and our customers, and contribute to the broader Abra platform.

And with that said, I'll turn it over to Celso to discuss GOL's 2025 performance.

Celso Ferrer - Chief Executive Officer, GOL

Thank you, Nico. And moving forward to Page 17, I want to share the GOL highlights for 2025, which was a really transformational year for GOL. As mentioned, marked by a successful completion of the Chapter 11 process in June, and strengthening the capital structure of the company, which provides a solid foundation going forward.

Operationally, the focus has been on increasing capacity with discipline. We saw a strong year-over-year capacity growth in international markets, reaching more than 13 countries. Domestic growth was supported by 11 aircraft returning to service and improved fleet availability. Importantly, that capacity has been deployed where the demand is strong and where returns justify it, consistent with the strategy that GOL has outlined over the course of the year.

At the same time, GOL continues to benefit from its leading position in Brazil, with a strong presence in key markets such as Sao Paulo, now more than ever Rio de Janeiro and Brasilia, including slot-constrained airports that support frequency and commercial relevance. The network is a high frequency with strong connectivity that drives both cost-efficiency and customer preference, supporting healthy load factors as capacity increases. GOL is also beginning to selectively expand its long-haul operation in international markets, including the recently announced Rio-JFK service.

Operational quality remains a clear strength. GOL was the number one airline in Brazil for on-time performance for the second consecutive year, which supports both customer loyalty and commercial performance. From a commercial perspective, Smiles continues to be the core driver of earnings quality, with a large engagement from its base and diversified partnerships ecosystem that supports recurring high-margin cash flow generations.

In cargo, GOLLOG continues to perform very well, supported by the addition of two dedicated cargo aircraft, totaling nine aircraft at the year-end, strengthening the Mercado Livre partnership and benefiting from a strong demand in e-commerce and express logistics. So, overall, what you see in GOL is a disciplined recovery, increasing capacity, maintaining strong operational quality, and strengthening the business' commercial and earnings profile.



Julien will speak about our financial results.

Julien Imbert - Chief Financial Officer, GOL

Thank you, Celso. Moving to Slide 18, we are very happy to report that, once again, we are performing on our plan since emergence. So, it's the third quarter that GOL will be outperforming the 5YP that we had published at emergence.

If we look at EBITDAR, we reached an EBITDAR of \$1.2 billion, which is an increase of 32% versus last year, and a margin of above 30%. This is driven mainly by our growth on capacity growth plus price growth in local currency and continued control on our cost. Liquidity also is stronger at \$1 billion in liquidity, representing 25% of our last 12-months revenue, and a significant increase versus the position of last year, with 43% increase versus 2024.

Regarding net leverage, we've been able to reduce our net debt-to-EBITDAR to 3.0 times in 2025, accelerating the de-leveraging of the company and pursuing our commitment to a healthy balance sheet. We are very happy with those results that underline our purpose of being the first airline for everyone, our clients, our investors, and our teams. And we continue to deliver on our plan with consistency and discipline, building an ever stronger GOL.

With that, I will now turn the call back to Adrian for closing remarks.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited

Thanks so much, Julien. So, to summarize, as I said, really, really proud of the results we're delivering this quarter.

First of all, a continued focus on customer experience, boosted by differentiation and brand loyalty as we integrate the power of the two brands, but also take advantage of the increased connectivity and, frankly, of the know-how that each of the two companies brings in creating a unified customer experience. Number two, revenue growth and disciplined cost management that drove higher margins. Three, strong adjusted EBITDAR and liquidity, and continued balance sheet de-leveraging, and very, very proud of the results our business units are delivering through the year.

With that, I'd like to turn it over to Q&A. Thanks so much.

Operator

Certainly. At this time, we will be conducting a question-and-answer session. [Operator Instructions] Your first question for today is from Mike Linenberg with Deutsche Bank.

Q: Hey, good morning, everyone. Great way to finish up 2025. Obviously, now, as we look into 2026, the high energy prices are kind of the front and center focus. I saw that you have these hedges, clearly opportunistic. What are you currently paying for jet fuel? I saw that in the context of that \$4 per gallon jet fuel hedge. What are we seeing today? And then, can you kind of give us a view on how you're thinking about your capacity plan for this year? I mean, I know we're starting to see other carriers sort of rethink near-term growth plans as they deal with higher fuel prices. Thanks.



Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited

Thanks, Mike, for the question. Yes, I mean, it's been an interesting start of the year with these movements. In terms of what we are paying for fuel today, there is a certain delay in the cost of fuel as our suppliers have some inventory. So, we are paying spot price today where outside of Brazil, I would say, is around \$4, a little bit under that. And in terms of— that is the fuel price that we're paying without taking into account the hedging. In Brazil, it's going to be lower. I don't have the exact number here, but it's going to be lower than that.

Then, on top of that, you have the compensation that is coming from the hedges, right? From March, April, and May, half of our volume is capped at the \$2.45 that I referred to before. So, that's what we're paying. That is the fuel that is being consumed outside of Brazil, right? Brazil still hasn't seen -- we're just starting to see the new price reset now on the 1st of April, right? So, you're going to start to see an effect of the price increase going forward, right?

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited

And so, with regard to capacity, Mike, if you were to look at our sales curves today, what you'd see is the following. We've started pretty aggressively passing through the increased cost of fuel. So, we're not relying on the hedges to boost margins. We're basically using them as a way to soften the transition to new pricing as we drive the pricing up. And obviously, there's a lag there, right? If you were to look at pricing in Brazil today, we're up, and I think the industry broadly is up about 30% from where we started a little over a month ago. Which if that holds, right, that's pretty much a full pass-through of mid-4 level fuel.

Now, obviously, because you've sold lots of bookings forward, there's a mix of bookings that you sold at lower prices, bookings that you sold at high prices, and it's going to take the better part of three months, even with the new pricing levels, for your average pricing to catch up. And then the second part of that is how much of that turns into reduced demand, because that will ultimately answer your question. What we're seeing so far is that the short end of the booking curve is holding up pretty well, but you're seeing the later bookings not come in. And the question is, do they show up later? Or do they--which interestingly, if you think about what later means today, later means sort of means the beginning of summer high season.

So it's not a crazy bet to assume that they will or do they fall off, right? We've started in Brazil in particular thinking about some tactical reductions, sort of in the single, low single-digit percentages of ASKs. But the reality is we don't know yet how elastic demand is going to prove and how much we need to react to that. So we're looking at it constantly and as soon as we sort of start to see near-term bookings taper off, that'll be a strong sign that we're, that we need to cut back on supply.

On the Avianca side, the pass through has been, I'd say, less effective. It's a more complex competitive set. You have over 20% of your ASKs deployed into Europe. The Europeans are largely hedged. You have 35% of your ASKs deployed into the U.S. The U.S. carriers, in spite of their big talk, have actually been slower at sort of driving pricing up, at least in our region and they've been slow followers as well. So we're slightly under 10% increase in pricing at Avianca. And again we need to get to sort of the mid-20s. So call it a third of the way there. Sort of the same dynamic. Less to no impact on the near-term

bookings, which is interesting because we've been in low season but a pretty strong drop off in the long-term bookings, which is interesting because those are high season bookings.

So, right now I don't want to sound sanguine because this is obviously an unexpected sort of shock to the system. And it's not a positive shock. Between the hedges, between the effectiveness of our ability to pass through and between the near-term booking curve holding up even in low season, we're pretty optimistic about summer demand. You may again see us pull back a little bit of capacity here and there, but we haven't yet decided to sort of make wholesale reductions, certainly not into the summer. If we see this dynamic holding up for a few more months and then sort of have to extend higher pricing into the much more elastic sort of post summer shoulder season, that's a different discussion.

Q: Yes, yes. All right. Well, very encouraging that you guys appreciate the elasticity and are considering tactical moves if this fuel regime or environment continues and persists. So, thanks for the thorough answer.

Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited

Mike, to go back to your question around the fuel in Brazil in particular, the price announced by Petrobras for April is BRL 6.85 per liter. That translates into about \$4.9 per gallon, which, remember that includes not insignificant amount of taxes.

Q: Yes.

Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited

And that's so you have a reference is about a 55% increase against the price that we paid during March.

Remember that in Brazil the price kind of reflects the average of the previous month. You saw 55% increase when world jet fuel prices increased. On the spot it's doubled. It's a moderated increase by Petrobras for the month of April and then probably May you're going to see the pull back.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited

And Mike, one more comment on your comment. We are cautious on elasticity. Again, like I said, we're monitoring it.

Q: Yes.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited

The bigger concern I think for everybody should be less the price elasticity side. If you think about --and this is an interesting data point, because both GOL and Avianca have been pretty effective in keeping their costs in line and in driving higher loads. A 30% pass-through to fares would put 2026 fares on real terms at the same price we were charging in 2019. So you're actually interestingly not talking about, sort of taking pricing to where it's never been. You're really sort of matching to inflation. So we are concerned about elasticity, but we're not panicked about it on the price elasticity side.



If you have to think about what are we monitoring more long term, well, we're monitoring economic slowdowns and then income elasticity. Because that would have a much more significant impact, we believe, on demand than the fare pricing that we're passing through, particularly when the entire market passes it through as well.

Q: Great. Very helpful context, thanks everyone.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited

Thank you.

Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited

Thank you, Mike.

Operator

Your next question for today is from Savi Syth with Raymond James.

Q: Hey, good morning. I appreciate the tactical capacity adjustments you might make, but I was wondering if you could talk a little bit about maybe the core capacity plan at Avianca and GOL this year and where that kind of growth might be focused.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited

Sure. Celso, do you want to start with GOL and then we'll hand it to Gabriel for Avianca?

Celso Ferrer - Chief Executive Officer, GOL

Yeah, Adrian, I can go. Hello, Savi, thanks for the question. And we have -- as I mentioned, in 2025, we were like catching up the capacity that we lost during the pandemic and basically by creating connectivity, designed a new network with the entire Abra team focused in regions where GOL used to be strong. But we see even higher potential for the company right now. I can give you two examples. One is Rio, the other one is Salvador, that we are -- that both concentrates more than 86% of our growth in 2026. In Rio international, we have created a very strong position, high frequency where we believe if we need to do some tactical reductions we will be able to recapture most of the demand as the whole industry continues to be and follow the rationalization.

So we are monitoring very closely, as Adrian mentioned, there has been no decision and we are not looking for restructuring of the network. We are confident, you saw our results. I mean with ASK growth and unit revenue growth. So we are monitoring closely and doing these adjustments so far. Okay?

Gabriel Oliva - President, Avianca

So here -- sorry, Celso go ahead.

Celso Ferrer - Chief Executive Officer, GOL

No, no, please Gabriel. Please go ahead.

Gabriel Oliva - President, Avianca

Thank you. On the Avianca side, as we commented on, when we were talking last year, we did this capacity shift to have a more healthy supply and demand balance, right. We extended the stage length more on the international side and we did some adjustments in domestic Colombia. As we think about 2026, our initial plan was modest growth within the mid-single digits, right. That comes on really not getting so much narrowbody fleet this year, so adjusting the network throughout the same pattern but not high growth. And on the widebody side, it's really as I said before and we commented before, right. Last year we had all these disruptions due to the widebody engines that we commented on the last call. So it's more about putting our network on the widebody side that's getting all the 78s and all the A330s that Adrian commented. So in a nutshell, we were not thinking on a high growth in the network this year and it's basically keeping kind of the same pattern that we were having last year into this year.

Q: That's very helpful color, thank you.

Operator

[Operator Instructions] Your next question for today is from Pablo Monsivais with Barclays.

Q: Hi, good morning. Thank you for taking my question. Just a quick question in terms of OpEx and CapEx. At this point, are you thinking of any measures to reduce the cash outlays assuming the situation continues with a very high oil price? Thank you.

Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited

Pablo, thank you for the question. We are always looking at ways to optimize our OpEx and CapEx in particular where kind of the amount of the CapEx around engines has turned to be more significant. We're also looking at ways, Pablo, of taking advantage of facilities or using kind of local facilities to be able to fix engines in Brazil, for example, which would give us also some kind of support in terms of being able to finance those. Yes, we are of course working on optimizing the CapEx and the OpEx plans.

Q: Thank you.

Operator

Your next question for today is from Guilherme Mendes with JP Morgan.

Q: Hey everybody, good morning. Thanks for taking my question and appreciate the comment on the first question about the demand outlook. Just following up into that, if you can break it down between different segments, think about leisure and corporate and domestic and international? When you say that you're increasing prices by 30% in Brazil and roughly 10% in Colombia, is this across the board for different segments, or there's a difference between leisure and corporate and domestic and international? Thank you.



Adrian Neuhauser - Chief Executive Officer, Abra Group Limited

No, what I'd say is, we can dig into this more, right, offline. But what I'd say is look, conceptually it's across the board, right? We've tried to increase across the board. Obviously there's some self-segmentation, if we're saying the shorter end of the booking curve is holding up very strong, the longer end of the booking curve is where we've seen some – still TBD if it's reduced demand or simply delayed demand; then the shorter end of the booking curve tends to be more business focused, right? So we're passing through on everything.

But what you're seeing is the leisure customer not book up as early as they would and that's sort of natural, right. You'd expect the people that, you know, they thought the summer ticket was going to cost x, right now it's costing 1.3x. They look at it and they say, well, let's wait a bit before we book it and see if it drops, right? So, I think there's some sort of self-selection there that's not us segmenting where we raise prices and where we don't, but sort of how people, how different parts of the market react to changes in our pricing curves.

In Colombia, as I said, it's a little different because even though we raise fares across the network and we intend and push for our pricing to go up and hope that our competitors will follow, the nature of the network means that you've got different competitive sets, right? When you say international again, you know, our U.S. fares we've been through, don't quote me on this, but three or four price increases. I say three have stuck and one we've had to pull back and it has to do with whether competitors follow or not. And that has to do with sort of the competitive set you're playing against.

In Europe, the European carriers have been much less willing to raise fares. I think that the position they're taking is they're more hedged and they're using that to try to capture market share. They're also driving some pretty extraordinary margins on their Far East routes as connectivity sort of goes through Europe and avoids the Middle East, that's also giving them some incremental margins and allowing them to not pass through as quickly on the Americas route. In those cases, you know, we're probably 25% of the way passed through instead of 30%. It depends more on who you're competing against than, you know, than us segmenting international versus domestic versus what have you. Does that make sense?

Q: Very clear. Thank you, Adrian.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited

Great. Thank you.

Operator

Your next question for today is from Gavin McKeown with Amundi.

Q: Hi, guys. Thanks for the information so far. Last question I have is in relation to the additional hedge that you mentioned. Can you give us any color on whether that was at GOL or at Avianca?



Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited

No, look, the hedges themselves, we take them at Avianca, which is the company that has a more direct impact from changes in fuel prices. Of course, the company that has more exposure with banks and other things, right? So, yes, they're being taken in Avianca today.

Q: That's very helpful. Thanks, Manuel.

Operator

Your next question for today is from Nicolas Fabianic with Jefferies.

Q: Hi, yes, thank you for the call. I had a few quick questions here on GOL. If you could please expand a little bit about liquidity, especially when we look at liquidity without the credit card receivables, any thoughts there in terms of alternatives, things you could do with the intercompany loan or any contemplated reshuffling of the GOL capital structure at this stage? Regarding Abra, similar question. We have the 29s bond. I see that it's callable in October. Just any updated comments around liability management or refinancing for the Abra 29s or the term loan?

And then, Avianca, you've made great progress with the refinance there, there is the stub left over of the 28s, if you could give us an update on liability management at Avianca? And also just wanted to ask about Avianca, the CapEx plan. If you could give a little bit more detail CapEx for 2026? Thank you.

Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited

Thanks, Nicolas. Let me start by addressing Abra in general and then we can go into the different points. The liquidity position that we have across each of the companies is very strong. In the case of Avianca, we finished the year with \$1.4 billion of liquidity. That includes the revolving credit facility. At the level of GOL, we have about \$1 billion which includes the receivables which as you know in Brazil is a fairly liquid asset that you can get, you can sell off. It's like having a revolving credit facility.

Now in terms of kind of you're asking about the capital structure of GOL itself, and there is no plan today to do anything around that. The company is in a strong position and has been deleveraging over time. Of course, we are looking at CapEx and OpEx and kind of how do we make sure that we keep our liquidity levels and our cash levels in particular at a reasonable amount going into this. But there is no plans or kind of things that I would comment on doing liability management at this point. And that's in general for the Group. I think that given kind of the market environment today, I think liability management are not in discussions today.

Same thing with Avianca. In Avianca, if you remember we did a couple of refinancings at the beginning of the year. We brought down, we repaid a big part of the 28 Notes with a bond that we did at the beginning of the year and re-tapped it later in January and there's about \$400 million of the 28 Notes outstanding. We have no plans on doing anything with those in the short term. And our financings at Abra, yes, we're approaching kind of the end of the non-call period, but that's a bigger question. In the market that we have today, I don't see that we're doing anything in the short term.



And just to be clear on the GOL liquidity that you see and the cash that you have there, that is real cash and liquid facilities. I mean liquid assets. We're just showing you there the cash and the factorable receivables. Any kind of receivables that is not factorable, we will not include there.

Operator

[Operator Instructions] We have reached the end of the question-and-answer session and I will now turn the call over to Adrian for closing remarks.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited

Thank you everyone for the time you spend looking at us again. Really proud of the quarter we delivered, of the evolution of the company as we put it together in a very short time. The synergies we're driving, the growth that we've driven, the margins that we think are second to none in the region, we're really proud of what we've delivered. We're working through the fuel situation, as you can see, pretty effectively. The hedges have put us in a great position to work through it and pass through pricing as we head into summer high season.

So, all in all, even with the geopolitical backdrop that we're dealing with, very, very excited for what the year will bring. So, again, thank you all for spending the time, and we'll be talking to you shortly. Thank you.

Manuel Irrarazaval - Chief Financial Officer, Abra Group Limited

Thank you very much.

Operator

This concludes today's conference, and you may disconnect your lines at this time. Thank you for your participation.



About Abra

Abra is a leading air transportation group across Latin America. It brings together the iconic GOL and Avianca brands under a single leadership team, alongside a strategic investment in Wamos Air, creating an airline platform with one of the lowest unit cost structures in its respective markets, leading loyalty programs across the region (LifeMiles and Smiles), and other synergistic businesses. In addition, Abra holds convertible debt representing a minority ownership interest in Sky Airline Chile. The Group consolidates a team of over 30,000 highly qualified aviation professionals and operates a fleet of more than 300 aircraft, with scheduled flights serving more than 25 countries and over 145 destinations. GOL is one of Brazil's leading airlines, operating a standardized fleet of over 137 Boeing 737 aircraft and employing approximately 15,400 people. Avianca, the second-oldest airline in the world, operates over 155 aircraft, including A320 and B787 passenger aircraft, as well as cargo aircraft, and has approximately 14,800 employees. Finally, Wamos Air is Europe's leading provider of wide-body Aircraft, Crew, Maintenance and Insurance (ACMI) services, operating more than 10 A330 passenger aircraft, employing approximately 1,200 professionals. For more information, visit www.abragroup.net