Transcript of Abra's First Quarter 2026 Performance Conference Call

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Participants

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited
Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited
Ciro Montoya - Vice President of Financial Planning, Abra Group Limited
Maria Cristina Ricardo - Head of Investor Relations, Abra Group Limited
Gabriel Oliva - President, Avianca
Nicolas Alvear - Chief Financial Officer, Avianca
Celso Ferrer - Chief Executive Officer, GOL
Julien Imbert - Chief Financial Officer, GOL

Analysts

Savanthi Syth, Raymond James
Guilherme Mendes, J.P.Morgan
Michael Linenberg, Deutsche Bank
Braedon Kehoe, Nut Tree Capital Management
Vidhi Veera, Goldman Sachs
Jens Spiess, Morgan Stanley
Gavin McKeown, Amundi

Presentation:

Operator:

Hello and thank you for standing by. My name is Tiffany and I will be your conference operator today. At this time, I would like to welcome everyone to Abra's first quarter 2026 performance call.

All lines have been placed on mute to prevent any background noise. After the speaker's remarks, there will be a question-and-answer session. [Operator Instructions].

I would now like to turn the call over to Maria Ricardo, Head of Investor Relations. Maria, please go ahead.

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 Group; Manuel Irarrazaval, Chief Financial Officer of Abra Group; 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 quarter ended March 31st, 2026, as well as the presentation we will reference today are available on our investor website.

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 proforma results first quarter 2025, as if Avianca and GOL were combined as of January 1st, 2025. Today's discussion may include forward-looking statements, which are not guarantees 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 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 will begin with quarterly highlights of the business, followed by a review of our operational and financial performance for the first quarter of 2026, and closing remarks before opening the call for questions. With that, I will turn the call over to Adrian.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

Thank you, Maria Cristina, and hello, everybody. We're very pleased to share our first quarter results for 2026, which demonstrate the strength, resilience, and earnings power of the scale platform that we've built across the Americas. During the quarter, we continued to make progress on our strategic priorities.

Firstly, we continued advancing our international expansion strategy. We announced a progressive addition of seven A330 NEO aircraft to our fleet between 2026 and 2027. This will enable us to increase long-haul capacity. Up to five of these aircraft are initially going to be assigned to GOL, the remaining two to Avianca.

Secondly, we also expanded the Abra Board of Directors to 12 members, nine of whom qualify as independent under the New York Stock Exchange standards, strengthening our corporate governance and bringing valuable expertise onto the board to drive strategic continuity and long-term value creation. And finally, we delisted GOL from the Brazilian Stock Exchange, achieving further alignment with our Group-level strategies.

From an operational standpoint, we continued implementing mitigation measures to offset global fuel cost pressures, including fuel hedging, short-term capacity management, fuel cost recapture through fare adjustments, and rigorous cost discipline. We resumed and increased operations to Venezuela, reiterating our commitment to enhancing regional connectivity. And finally, GOL continued to perform better than planned, backed by a resilient demand backdrop.

What does all this mean on financial terms? Well, financially, the Group delivered a strong adjusted EBITDAR growth of over 34% year-over-year versus a comparable pro forma period, reaching 792 million with a 30% margin. That's up approximately 375 basis points on a comparable basis.

Liquidity at the end of the quarter totaled 2.3 billion, equivalent to 23% of LTM revenues, and net debt to LTM EBITDAR improved sequentially to 3.1 times from 3.3 times at year-end, supported by robust EBITDAR acceleration. Cargo and other businesses continued to play a significant role in the overall performance of the Group and generated approximately $450 million of revenue, up 17% year-over-year versus pro forma. Turning to the next slide, slide five.

We continue to benefit from a broad and balanced footprint across the Americas while we maintained momentum in our core markets. In the first quarter, the Group operated more than 370 routes to more than 145 destinations across 28 countries. ASKs increased 7.2% year-over-year to 31.5 billion, with domestic Brazil increasing its ASK share by 300 basis points year-over-year, reaching 36%, supported by the full restoration of GOL's fleet.

For the quarter, 22% of our capacity was allocated into North America, South America excluding Colombia, and domestic Colombia remained stable at 16% and 9% of the ASK allocation respectively. Europe represented 11%, and other markets represented 6%. This mix represents Abra's well-diversified network portfolio, supporting revenue growth across multiple demand segments.

In the next slide, slide six, our airlines maintained resilient operational performance. While Avianca's on-time performance moderated year-over-year to 8%, driven by increased congestion during prime hours in El Dorado, the airline ensured continued operational reliability and showed strong schedule completion of 98.4%.

Meanwhile, GOL was the most punctual airline in Brazil during the quarter, delivering solid on-time performance of nearly 87% and schedule completion of over 99%, despite ongoing infrastructure works at Guarulhos airport in Sao Paulo. Notably, both airlines remained well below the SITA 2025 global baggage benchmark of 6.3 mishandled bags per thousand passengers. These results underscore our commitment to disciplined execution across our operations, despite navigating significant operational pressures outside of our control.

Turning to slide seven, and I'm sure this will be a recurring theme in the Q&A, fuel was an important theme during the quarter, and we took a proactive and comprehensive approach to execution of four mitigating measures. First, in addition to our nearly 50% fuel hedge on passenger business fuel consumption from March through the end of May, with a cap of about $2.45 per gallon, we also acquired additional hedges to cover approximately 60% of our corporate fuel consumption from June through August, with a cap of about $4.00 per gallon. This was further supported by the implementation of dynamic short-term capacity management to optimize underperforming rotations and redeploy capacity to stronger markets.

In parallel, we continued to implement revenue management strategies as we intend to pass through all of the effect of higher fuel prices by the end of the year, implying minimum recapture rates averaging 60% during the period. We also proactively managed controllable expenses while capturing incremental operational synergies throughout the Group. These actions, coupled with our robust financial and operational position, position us well to navigate the current volatile fuel environment.

Turning to slide eight. On slide eight, we continued to build on a strong momentum and customer experience, driving value-enhancing initiatives to help us achieve tangible results. Premium value customers increased by 16% year over year; premium revenue share increased by five percentage points to 21% of our revenue. That implies that premium revenue itself grew 56%. And loyalty members reached 47 million, representing 22% year-over-year growth.

Several important initiatives contributed to this progress. We opened a new renovated Diamond International VIP Lounge in Bogota, bringing the Group-level network to 16 VIP lounges; we continued the implementation of high-speed Wi-Fi across the Avianca fleet, reaching 19 narrow-body aircraft by March 31st.

Avianca also launched Business Class Flex, enhancing customer flexibility through itinerary changes and refund options. In parallel, GOL announced Insignia by GOL as first business class product, including an exclusive onboard menu and comfort kit, and aligning the Insignia brand across the Group. Smiles also announced Magno, the new highest tier category of its loyalty program with premium features such as priority check and onboarding, as well as lounge access. These initiatives that are aimed at elevating the customer experience, have helped foster stronger brand loyalty and drive premium revenue growth.

With that, I will turn the call over to Manuel to review the Group's financial performance in more detail.

Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited:

Thanks, Adrian. I think we're on page nine here. Good morning, everyone.

The consolidated passenger business delivered a solid growth. Capacity as measured as ASKs increased 7.2% year-over-year to $31.5 billion, driven by GOL's full fleet recovery, while stage length was stable at about 1,200 kilometers. Despite such growth, load factors improved from 79% to 83%, driven by an increase of 11.2% in passenger carriers, reaching 18.8 million passengers, highlighting the robust demand during the period.

Our continued pricing discipline was reflected in strong unit revenue performance, with PRASK improving 6.6% year-over-year to 6.5 cents, on the back of an average fare growth of 3.5% to approximately $109 dollars, and a yield of 7.8 cents, alongside improved load factors. In terms of cost, passenger CASK increased to 6.4 cents, including a higher ex-fuel CASK of 4.6 cents, primarily driven by engine-related contingency costs and product improvements, while fuel costs declined to 1.8 cents. Fuel consumption was 7.0 gallons per 1,000 ASKs.

Overall, we're pleased with the combination of capacity growth, strengthening of load factor, improved unit revenues, and lower fuel CASK despite the current pressures, while maintaining a clear focus on controllable costs.

When we go to the next page, we will describe the continued contribution from our business units. Cargo volumes reached approximately 197,000 tons, 15.3% up year-over-year. Growth was driven by a resilient demand environment across markets. Avianca Cargo’s strong performance during Valentine seasons, and GOLLOG expanded year-over-year operations through the incorporation of two dedicated freighters during the second half of 2025, reaching a total of nine aircraft. Loyalty gross billings increased 22% year-over-year to $352 million, supported by robust performance from LifeMiles’ co-branded credit card product and favorable market conditions for Smiles in Brazil. ACMI business revenues increased 19.5% to $76 million. These businesses are very relevant to the Group because they diversify the revenue beyond passenger flying and create additional avenues of earnings growth.

On page 11, Abra delivered a strong financial performance in the first quarter. Total revenues increased 16.9% year-over-year to $2.7 billion, reflecting passenger revenue growth of 16.9% to approximately $2.3 billion. And cargo and other revenues increased 17.3%, generating approximately $415 million. Adjusted EBITDAR increased 33.8% to $792 million, and adjusted EBITDAR margin expanded to 29.7% from 25.9%, and then EBIT increased 76% to $305 million, while EBIT margin improved to 11.4% up from 7.6% before.

Note that the first quarter numbers here of '25 include almost $50 million of expenses from the restructuring of GOL. The improved profitability reflects our continued focus on discipline pricing and strict cost management, leading revenue growth to outpace operating cost growth and delivering continued expansion.

If we go to page 12, we ended the quarter with approximately $2.3 billion of liquidity, equivalent to 22.7% of last twelve-month revenues. This includes almost $1.6 billion of cash balance and cash equivalents, and a little over $700 million of other liquidity, which includes GOL's credit card receivables and short-term financial investments and the revolving credit facilities.

Let me walk you through this waterfall. We began the quarter with almost $2.5 billion of liquidity, with an adjusted EBITDAR contributing $792 million during the period. This was offset by $123 million of working capital, including approximately $60 million in timing of the hedging settlements collected in August, about $300 million of CapEx net of financing, and $364 million of aircraft payments, with $41 million of variable cash rental payments, and $178 million of net corporate debt payments, including $73 million in scheduled principal payments. We view the resulting liquidity position of nearly $2.3 billion as a strong position, including our ability to navigate the current operational environment. So how does this affect our leverage?

On slide 13, you can see that our net debt increased modestly by 2.4% to $8.99 billion, almost $9 billion, from $8.78 billion at the end of 2025, primarily driven by the change in liquidity by quarter end and the normal course of timing differences between the current expense and the cash interest payment.

On the last net debt to last twelve-month EBITDAR improved from 3.3 times to 3.1 times, reinforcing our deleveraging trajectory underpinned by the strength of the adjusted EBITDAR generation. In summary, Abra posted a robust first quarter financial performance driven by GOL's restored fleet capability, discipline pricing, resilient demand, translating into a stronger load factor.

Diversified growth in cargo, loyalty and ACMI further supported our adjusted EBITDAR generation and margin expansion. Finally, our solid liquidity and improved net leverage highlight the Group commitment to profitability, balance sheet strength, and sustainable growth. This positions us very well for the times ahead.

I will now pass over the call to Gabriel to discuss the Avianca's first quarter performance.

Gabriel Oliva - President, Avianca:

Thank you. Thank you, Manuel. And good morning, everyone.

Turning to slide 15, Avianca delivered a strong quarter operationally and financially. When we look at the operational side, we resumed our service to Venezuela with the Bogota-Caracas route, increasing frequencies to two daily, 14 weekly flights from four we had in November 2025 when we stopped operations. And we launched regional operations within Colombia, launching the Medellin-Pasto route, continuing our regional connectivity, underscoring our efforts to foster connectivity in the region.

During the quarter, Avianca reached a total of 160 routes across 83 destinations in 27 countries. In addition to the value proposition enhancement already mentioned by Adrian, we also finalized the network-wide business class rollout with great customer satisfaction results.

So now Avianca has business class across all its network. We introduced complementary onboard service in economy-class flights longer than 3.5 hours and carry-on baggage included in the lowest international fare within the Americas, aligned with the transatlantic offering. Cargo, as mentioned by Manuel, also performed well, reinforcing Avianca's market leadership in the flower exports from Colombia to the United States.

During Valentine's Day season, we moved approximately 19,000 tons that we transported across Colombia and Ecuador, up 6% year-over-year. Moreover, during the recent Mother Seasons, we transported more than 21,000 tons of flowers to the United States, up 8% year-over-year, holding a leading position in offered capacity from Colombia and Ecuador to the world.

In terms of the financials, PRASK increased to 6.5 cents, up 8.5% year-over-year, supported by a six-percentage point load factor expansion to 82.4%. Passenger CASK ex-fuel was 4.6 cents, and Avianca achieved an adjusted EBITDAR of $348 million, up 11% year-over-year, at a 23% margin. Liquidity was $1.25 billion, or 21% of last twelve-month revenues, including $1.05 billion in cash balance and $200 million in an undrawn revolving credit facility. Net debt to LTM EBITDAR remained stable at 2.7 times.

Finally, we continued optimizing the debt maturity profile by issuing $750 million of Senior Secure Notes due 2031, with net proceeds used to partially redeem the tranche A-1 Senior Secure Notes due 2028.

I will now hand the call over to Nicolas to discuss Avianca's financial performance more in detail.

Over to you, Nicolas.

Nicolas Alvear - Chief Financial Officer, Avianca:

Thank you, Gabriel, and good morning, everyone.

Turning to slide 16, Avianca's passenger business results reflected resilient demand and solid revenue performance. To start, ASK growth has moderated progressively to 3.5% year-over-year, demonstrating continued capacity discipline deployment. At the same time, load factor increased from 76% to 82.4%, and passenger carried increased to 9.7 million, up almost 10% year-over-year, denoting a very supportive demand environment, even as we maintain pricing discipline, bringing our average fare up to approximately $120 dollars. As a result, you can see that unit revenue increased 8.5% year-over-year to 6.5 cents.

On the cost side, passenger CASK increased to 6.2 cents, including an ex-fuel CASK of 4.6 cents, driven by macro headwinds such as a meaningfully stronger Colombian peso versus the U.S. dollar and inflationary pressure, increased fleet-related costs associated to industry-wide engine contingency issues, and continued investments in product improvements and operational reliability. Passenger fuel CASK declined to 1.7 cents, as our fuel hedging strategy kept costs under control, despite late-quarter price increases.

On slide 17, you can see that total revenues increased 14% to $1.5 billion in the quarter. Adjusted EBITDAR rose 10.9% to $348 million, at a margin of 23%, favored by strong top-line performance. EBIT was $111 million at a 7.4% margin, pressured by increased short-term rentals required to support our operation during the engine-related contingency, as well as higher amortization from maintenance events. I'd like to note that these increases in rentals and D&A disproportionately impact our margins during the first half of the year, which is seasonally much weaker than the second half.

Turning to slide 18, you can see that Avianca ended the quarter with $1.25 billion of liquidity, representing about 21% of last twelve-month revenues. And as Gabriel mentioned, this includes $200 million of our committed, undrawn revolving credit facility. Overall, liquidity decreased $115 million during the quarter. But to provide context, I'd like to highlight a few things.

First, working capital reflects an impact of roughly $60 million related to our March hedging contract, whose benefit is reflected in this quarter's P&L, but whose cash settlement didn't occur until early April. Second, we fully prepaid a $25 million debt facility we took in late 2024 in conjunction with our acquisition of Wamos, in addition to $21 million of scheduled principal payments incurred during the quarter.

And third, our net CapEx and aircraft rental payments reflect the impact of an industry-wide engine contingency, which is causing us to overhaul engines earlier than we had originally expected and lease spare engines to support our operation in the meantime.

For 2026, we expect these impacts from the contingency to be disproportionately front-loaded to the first half of the year. In particular, of the $204 million of net CapEx incurred during the quarter, about 60% is recurring maintenance CapEx, 20% is related to the engine contingency, and the other 20% is related to growth.

On slide 19, you can see that Avianca's net debt increased modestly to $4.24 billion from $4.18 billion at year-end 2025, mainly reflecting a lower cash balance. Fleet count remains steady and net leverage remains stable at 2.7 times EBITDAR. And finally, during the quarter, we continued extending debt maturities by refinancing $750 million of our notes to 2028.

And with that, I will turn over the call to Celso, who will discuss GOL's first quarter performance. Over to you, Celso.

Celso Ferrer - Chief Executive Officer, GOL:

Thank you, Nicolas, and good morning, everyone.

Moving to page 21, GOL delivered a strong first quarter, coming in ahead of both our operational and financial plans. On the operational side, we fully restored the fleet capability by March, as the remaining grounding aircraft came back into the service. That was an important milestone for us, and it really supports the consistent performance we are seeing in this quarter.

At the same time, we continued to advance our strategic priorities. We announced Rio de Janeiro as the new international hub, with routes to New York, Orlando, Lisbon, and Paris, starting in the second half of 2026. These routes will be operated with A330 neos and will incorporate our new business class offering, Insignia, which is an important step in strengthening our presence in the high-yield environment international markets.

In parallel, we maintain a strong focus on execution and reliability. We were recognized as the most on-time airline in Brazil during the quarter, which reflects the team's continued discipline in delivering a consistent operation. Our network also remains robust, with 212 routes across 83 destinations in 12 countries, providing a solid platform for both domestic and international growth.

On the commercial side, we continue to see good momentum. Pricing discipline remains strong, and PRASK increased 6% year-over-year to 6.6 cents, supported by a 5% yield improvement. This reflects both demand strength and our continued focus on revenue quality. On costs, we also stayed very disciplined. Passenger CASK ex-fuel decreased 3% year-over-year to 4.6 cents, showing that we are capturing efficiency gains as capacity ramps up and operations normalize.

Putting all this together, we deliver a strong profitability in the quarter. Adjusted EBITDAR reached $452 million, up to 59% year-over-year, with a margin of 38.9%, reflecting both revenue strength and cost control. And finally, we continue to strengthen our balance sheets. Net leverage improved to 2.8 times, and liquidity stood at $945 million, representing 23% of the last twelve-month revenue, giving us a solid financial position going forward.

So, with that, now I'll hand over the presentation to Julien.

Julien Imbert - Chief Financial Officer, GOL:

Thank you, Celso. Good morning, everyone.

So, I'll walk you through the story for GOL. I think for this quarter, the focus has been on consistency and continue to perform our plan through financial discipline and care execution. So, we'll highlight this with the main numbers.

If we turn to slide 22, GOL passenger business results reflect resilient demand in Brazil and robust revenue performance. Our ASK increased 12.6% year-over-year to $13.6 billion, demonstrating a well-executed capacity deployment. Demand-wise, load factor increased to 83.8%, and we carried 9.1 million passengers, which is up 12.9% versus last year. We maintained also a rigorous pricing strategy with average fare improving to $97.7 dollars and yield increasing to 7.8 cents. Combined with a strong load factor, this factor has increased PRASK by 6.5% over the year to 6.6 cents.

On the cost side, Passenger CASK decreased 3% to 6.6 cents, which includes an ex-fuel CASK of 4.6 cents. This reduction was mainly driven by the dilution of fixed costs and also lower maintenance costs versus last year, as we have now stabilized the fleet recovery. GOL continues to manage its passenger business with discipline, supported by resilient and healthy demand.

Turning to slide 23, we continue to demonstrate strong results post-emergence. GOL revenue growth reflects a restored fleet capability and strong pricing discipline, with revenue increasing by 20.8% to $1.16 billion. The adjusted EBITDAR reached $452 million, which is up 58.5% from last year, with a 38.9% margin, reflecting a rigorous cost discipline process at GOL amid ongoing industry pressure. EBITDAR increased to $202 million, with a 17.4% margin.

Turning to slide 24, GOL ended the quarter with $945 million of liquidity, which represents roughly 23% of the last twelve-month revenue. This included $431 million of cash and short-term investment and $514 million of credit card receivables. We started the first quarter with roughly $1 billion in liquidity. The EBITDAR contributed to positive $452 million under no-cash position. And then we had $136 million negative in working capital, which is typical for a first quarter in Brazil at GOL, $87 million of CapEx, $166 million in aircraft repayment, and $134 million in net corporate debt payments, which includes $30 million of scheduled principal payments. So, GOL maintains a solid liquidity position at the end of the quarter, with cash being a priority for management.

Now turning to slide 25, our total debt remained relatively stable at $3.6 billion, including $658 million of intercompany debt held by Abra. Our net leverage decreased from 3.1 times at the end of 2025 to 2.8 times at the end of the first quarter of 2026, as we continue to focus on our plan to de-leverage the company. For comparison purposes, our net leverage would be 2.3 times if we excluded the debt held by Abra.

So, in summary, GOL delivered a very strong first quarter. We have been able to achieve double-digit growth, increase price by 6.5%, and reduce our unit costs by 3%. We continue to deliver outstanding operational performance post-emergence, which allows us to strengthen our balance sheet and further de-leverage the company with a strong liquidity position.

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

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

Julien, let me close with four key takeaways for the quarter. First, Abra maintained a strong financial profile and competitive positioning, coupled with implementation of a comprehensive set of mitigation measures that enable us to help navigate the current fuel volatility with confidence. Margin expansion was driven by accelerated revenue growth, supported by continued strength in the premium segment, and reinforced by rigorous cost discipline.

Third, robust earnings generation continued to drive leverage improvement. And fourth, cargo loyalty and ACMI delivered strong contributions that reinforced the value of our diversified platform.

Stepping back, Abra continues to demonstrate the value of a scaled and diversified airline platform across Latin America. We are growing the network with discipline, strengthening the customer proposition, managing volatility proactively, and continuing to improve our balance sheet.

Thank you again for your time and interest in Abra, and we look forward to your questions.

Q&A:

Operator:

[Operator Instructions].

We will pause for just a moment to compile the Q&A roster.

Your first question comes from the line of Savi Syth with Raymond James. Please go ahead.

Question:

Hey, good morning, everyone.

I was wondering if you could kind of talk a little bit about, first of all, just given your current fleet plan, how do you expect your ASK allocation by region to evolve over the next kind of year or two?

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

Well, look, one of the things that we point out, thank you for the question, by the way.

One of the things that we point out recurrently in our conversations, right, is that we benefit from strong order books at the OpCos, but we also benefit from having aligned the redeliveries of existing leases with the delivery dates of the new aircraft. So, we have a lot of flexibility in the ASK growth that we drive, and we don't need a lot of lead time to adjust it, right?

So, as we look forward, right, into the next couple of years, the real question that I think as an industry we're trying to understand is what can we expect in terms of demand growth, right? One of our key objectives here as a Group is to ensure that we are not causing oversupply and that we're ultimately aligning the supply that we put into the market with underlying demand growth. We believe demand grows at about two times GDP.

What GDP will grow in the next few years if the current fuel environment holds, I think is still TBD, right? So, all of that is a rather long way of telling you we have a lot of flexibility. We're monitoring it pretty closely. And as we start seeing where fuel stabilizes, where GDP growth stabilizes, you'll see us adjust allocation.

In the meantime, we're comfortable with the growth that we've set for this year. We're comfortable with the tactical reductions that were taken out. And we're very happy to have the flexibility in both our lease re-deliveries and our order books to adjust capacity as we see the demand environment evolve.

Question:

That makes a lot of sense. And maybe just a bit of a shorter-term question, just as you look out at your network today, where are you having kind of more success in kind of passing through higher fuel? Are there any kind of areas of weakness or areas that are stronger than others?

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

It's a great question, right? Because ultimately, so the first thing is we are broadly in the network passing it through faster than I would have expected. And with more success than I think us or any of our competitors would have expected, we're seeing very limited elasticity broadly in the network.

And as we increase prices to account for increased fuel, we're continuing to see robust demand. The ability to pass through is depending less on impairment of demand, which is very limited so far, and more on sort of the strategy competitors are taking. And that goes to answer your question, right?

So, if you look at Brazil, it's a pretty simple competitive set and competitors seem to be acting in a pretty disciplined way. So, pass-through there has been pretty effective and pretty quick. If you look at domestic Colombia, I would say sort of the same thing, same thing in domestic Ecuador.

When you start looking at places like intra-South America or South America and North America, messier competitive set, right? And so, then it takes a while longer to pass through, right? And what we see is we see more stops than starts, right?

We see competitors taking different strategies. Some of them move first and then pull back. Sometimes we move, they pull back. I would tell you the trend line is pretty positive.

And again, we're seeing pretty strong pass-through, but it's more a stop-and-go kind of an environment than what you see in simpler competitive sets.

And then Europe is a little bit different because of how hedged the European carriers have been, right? So, when you look at Europe, ultimately into between South America and Europe, we've had to be, I think, followers in that market. We are seeing some very positive movements now from the Europeans in terms of understanding that they cannot, we believe they are understanding that they can't long-term rely on the hedges.

And so, we're seeing them in some cases track what we do, in some cases actually lead. So, we're seeing positive movement, but I would tell you that the Latin America to Europe flights have been the laggards in terms of yield increases.

That said, and interestingly enough, the Latin America to Europe flights have been outperforming in terms of load factors, right? So, in terms of total revenue, we're actually seeing some pretty strong numbers there, but that's sort of how it shakes up.

<u>Question:</u>

Very helpful. Thank you.

<u>Operator:</u>

Your next question comes from the line of Guilherme Mendes with JP Morgan. Please go ahead.

<u>Question:</u>

Yes. Good morning. Thank you, all, Adrian and Manuel and team.

Thanks for taking my questions. I have a couple of follow-ups on the jet fuel pass through. You mentioned in the presentation the 60% recapture.

Just wondering and just wanted to confirm if this is an average number for the year, meaning that at some point in time, second half, you expect to be at 100% recapture ratio, and how much that implies in terms of fare increases from here? And a last one, if I may, is if you can comment on your booking curve, what kind of visibility you currently have on what you see today?

Thank you so much.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

So, those are great questions. So, yes, the 60% is an average throughout the year. So, just the simple way to think about that is if you were to calculate the impact of fuel increase for us over the 10-month period, between the start of the current war-driven spike and the end of the year, and you were to say, okay, how much does that impact us in dollars?

We're expecting to mitigate 60% of that, right, over the period. That does imply that we expect to be passing through 100% by the end of the year. So, that's the answer to your first question, right?

The implicit assumption there is that you need about 20% in pricing to get to that. Now, you have some demand disruption, so you need a little bit more than 20% to make up for the couple of points that you probably lose on overall load factor, right? So, that's roughly the answer to your second question.

Your third question is very insightful, right? Because ultimately, the way we are managing this, and we believe most of our competitors are seeing the same thing, is that the pricing discipline that we are imposing also de-incentivizes early purchases, right? So, you are seeing a booking curve shortening.

We're four to five days shorter than we were at the same time last year, right? So, that's about 10%. So, we do have less visibility. It's not a dramatic change in visibility, right, in terms of the revenue generation, but it is a change in customer behavior. It's a logical one too, right, because we believe customers are pretty savvy. They read the newspapers. They see pricing. They're trying to figure out whether ultimately there's going to be reduced tension, reduced fuel prices, reduced ticket prices, or whether this stays, right?

So, we see them holding off on the purchase decision longer. But what we are also seeing is that that curve does build to within a couple of points of where we expect it to build by the time the flight leaves. So, we aren't seeing much in the way of demand disruption. We're just seeing it show up later.

Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited:

And I guess kind of this, since this started some months ago, you've seen this evolve and you've seen it kind of tested and proven out, right? So, we are months, we are a couple of months into this war and into the price increase, and you're starting to see kind of that the passengers do show up later, but they do show up.

Question:

That's all very clear. Thank you, both.

Operator:

Your next question comes from the line of Mike Linenberg with Deutsche Bank. Please go ahead.

Question:

Oh, yes. Hey, good morning, everyone. This is actually to Celso.

Just with respect to GOL and how GOL is sort of adjusting its supply, its capacity plan as we get into, as we deal with a high fuel price environment. I can see internationally that you're somewhat flattish for the back part of the year, even down in some quarters, and that's even after incorporating the new long-haul services with the A330s out of Rio to New York and Lisbon.

But domestically, it does feel like for the next couple quarters, you're still running high. You're roughly almost double your nearest competitor, and then another one of your competitors is shrinking.

I know in the past that GOL was trying to really get back to sort of where it was capacity-wise prior to the restructuring, so that may be part of the reason why you're growing more quickly. Or should we just assume that those numbers will moderate down, given where fuel prices are, and so it's still very much a work in progress.

Thanks on that, and then I have a second.

Celso Ferrer - Chief Executive Officer, GOL:

Mike, good to talk to you, and thank you for the question.

I think your analysis makes a lot of sense. What we are doing is, we have a year-over-year growth in the second quarter because, of course, we were emerging from Chapter 11 last year during the second quarter, and now we have the entire fleet back into service. But putting this aside, what we are looking is like, we're not looking all the time about how much we are growing. We are looking to network performance itself.

So, the adjustments we are doing is basically on the routes, first, we believe that we will have a higher recapture on those routes because of the way we position our flights, the way we position our network. And secondly, routes that don't make sense to fly in an environment like this. So, we have, like, weaker leisure routes, for example, in Brazil that just generate some bigger ASKs that we are reducing now.

If you look at what we have published through April, May, and June, and what we have now, you will probably see that we are doing adjustments every week in the capacity to make sure that we don't see a spiral down in prices because we have an empty seat and we are not being able to pass through the revenue as per the average passing through that we are having in the entire network. So, that's how we are managing. So, it's still now a year-over-year growth in the domestic, but much less than it was.

So, we took roughly 8%, for example, in June of what we would be selling. And internationally, you're right, I mean, we are, of course, we have the widebodies coming, so we are adjusting the narrowbody capacity for the second half of the year.

But we will continue to follow, like, this kind of two to three months rolling, let's say, tactical adjustments instead of doing big adjustments for the second half now. So, that's the way we believe that is the best way to make sure that we are having a good recapture, making sure that we have a healthy yield environment overall, and make sure that we are applying the best routes. So, that continues to be the plan.

Question:

Great. Thanks, Celso.

And then just my second question, this is really to Adrian and Manuel. Notwithstanding the recent Avianca financing, or really refinancing, we are seeing carriers come to the market and do raise debt. Some of it, I think, it's just opportunistic. And I think that everybody is watching fuel prices.

And we're not really sure where fuel prices are going to be a month or two or six months from now. And so, you have financially strong carriers like Lufthansa and IAG coming to the market. Like, what would be the trigger points for you where it would make sense for Abra to do some form of incremental financing, just to make sure?

I mean, your liquidity is fine now. But it does feel like it's a better market today. And sometimes it pays to be opportunistic.

At the end of the day, we are airlines. So, your thoughts on that. Thanks for taking my question.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

Thanks, Mike. By the way, I'm sorry you lost your streak of being the first question, I think, ever since we started having these calls. But thanks for the question.

The short answer is you've seen us be opportunistic since day one, right? We are opportunistic. We believe that liquidity is important.

We take advantage of the market when we see the timing's right. And we'll continue to do that. The reality is we're comfortable with our position where it is today.

Would more be better? Sure. There's a limit to that because ultimately there's a carry cost, right?

We don't like where our paper's priced today. We don't think it reflects not only how solid our credit we believe is, but also the way we're performing, our ability to pass through, the different levers we have in terms of managing cash outflows, expenses, operations, and just overall supply. So, I think the short answer to your question is we're always monitoring. And if we see something that makes sense, we'll obviously do it.

Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited:

Yes. And Mike, you're right, we're very comfortable with the liquidity position that we have across the Group. And then, as you said, we were opportunistic of refinancing, for example, the Avianca bonds and extending them out during the last couple of years. And today, we don't really have relevant maturities in the near future. So, that puts us in a very comfortable position, right?

Question:

Great. Thanks, everyone.

Operator:

Your next question comes from the line of Braedon Kehoe with Nut Tree Capital Management. Please go ahead.

Question:

Hey, guys. Thanks for taking my question. I just had a question on the Avianca CASK ex-fuel increase.

On the 0.8 cents growth, I think you mentioned the strengthened Colombia peso, some fleet pressures, and the contingency issues. Could you maybe just bucket out, like what were the biggest drives of that increase and kind of how to think about are these more temporary? Do you guys' kind of think that 4.6 is like a run rate number?

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

I'll take the back half of that, and then I'll let Ciro take the front half of it, right? If you were to take our 2025 number and adjust it for FX, right, so we averaged in 2025, 3.9 cents. If you were to take that and adjust it for FX and inflation, you'd be at 4.2, right? So, that's sort of the comparable number just so you get a sense of kind of what the increase is.

And so that then sort of will lead you into what buckets we have that are manageable and what aren't, right? About 0.15 cents of increase comes from the product improvements, enhancements, etcetera, that we're doing. We believe those are essential. We were seeing an increasing yield gap to our competitors, and we intend to recover that.

That required some hard product enhancements, some soft product enhancements, and really just solutions to drive better connectivity through our hubs, things like that, right? So, that's the more discretionary part of this.

And then there are some things that are in the middle, right? We've got, for example, a lot of leased engine power still as we push engines through the shop. So, that is a pretty significant bucket. We'll get some of that back towards the end of the year as we adjust depreciation on the engines that because they're in the shop, we don't burn them, so we get some of that back. So, that's sort of the short version. Ciro can, I'm doing this from memory. He's actually got the bridge in front of him.

Ciro Montoya - VP of Financial Planning, Abra Group Limited:

Yes. On top of that, there's a 0.07 that is related to the network expansion that we have in more expensive stations, and 0.1 that is related to one timers.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

Right. So, sort of to sum it up, right, it's 0.2 that comes from inflation and FX, right?

Ciro Montoya - VP of Financial Planning, Abra Group Limited:

0.3.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

0.3. Sorry, 0.3 that comes from inflation and FX, 0.15 that comes from products.

Ciro Montoya - VP of Financial Planning, Abra Group Limited:

0.15 of lease-related short-term rentals, 0.17 of maintenance of amortization, and 0.1 of one timers.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

So, to sort of bring that back, you should expect that this is sort of a run rate level net of future FX shifts, right? Avianca is pretty much neutral in terms of the local currency costs versus local currency revenue. So, the impact that you see from FX, you see on both sides, right?

So, that tends to net out on a margin basis, but obviously it doesn't look pretty on the CASK side. That, if it shifts back, then you'll see us give it up on the revenue side and take it back on the cost side, right? And then you've got the one-timers of engines, which we expect we will burn off by the end of the year. The rest of it you should expect is pretty structural.

Question:

Got it. So, that 0.15 of short-term rentals, that's the engine contingency issues you were talking about, and that should roll off. That's helpful.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

Exactly.

Question:

Just same question there on that. I'm sorry.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

That should roll off, and then we would say the 0.2 or whatever it is of FX, you should pretty much ignore. It's 0.2 of FX and 0.1 of inflation, right? So, the 0.1 of inflation is real, that's permanent.

The 0.2 of FX, the way we think about it is we consider it noise because it shows up on both the revenue side and the cost side, right? So, the 0.15 is temporary, the 0.2 is really a basis shift that moves both numbers around and doesn't really impact margins. Everything else is sort of run rate.

Ciro is looking at me like he doesn't quite agree. Is that true? Yes, okay. There you go.

Question:

That's helpful. And just one on the engine point, I think you mentioned of the 200 million CapEx, like 60% was maintenance, 20% was growth, 20% was the engine payments. When do you kind of expect the timing of, I think that's like 40 million roughly of engine payments to roll off? Like, is that another quarter? Is that just not happening the rest of the year? Like, how do you think about the timing of those CapEx payments?

Just like, is there any kind of like 2026 CapEx estimate you guys can maybe have us think through?

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

I'm not sure.

Nicolas Alvear - Chief Financial Officer, Avianca:

I can take that question.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

Go ahead, Nico. Thank you.

Nicolas Alvear - Chief Financial Officer, Avianca:

Yes. Good morning.

So, as we mentioned at the beginning of the year, this year and next year, we're expecting CapEx to be higher than it was in 2025. In 2025, it was roughly, net CapEx was roughly $450 million and about 75% of that was engine maintenance.

Due to the contingency that I mentioned, we expect CapEx to be higher, maybe $600 million to $650 million per year for 2026 and 2027. And this is mostly a timing effect because of the engine contingency and the fact that we're overhauling engines earlier than we were expected. That means that CapEx is being shifted to the left, right?

So, there's CapEx that we were expecting to incur in 2028, '29, '30, and that will be incurred in 2026 and 2027.

So, just to summarize, I would say that for '26 and '27, you should expect those CapEx levels to be higher than what you used to see in 2025.

Question:

Got it. That's super helpful. And if I could just ask one more question, then I can hop back in.

On that 60% number you mentioned on the recapture, is that for both Avianca and GOL, like just, you think, roughly 60% mitigation of impacts, or does it kind of shift?

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

That's what we're projecting as a Group.

Question:

Got it. Thank you, guys.

Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited:

It's across the Group and all the way to the end of the year, right?

Operator:

Your next question comes from the line of Vidhi Veera with Goldman Sachs. Please go ahead.

Question:

Hi. Thanks for taking my question. This first really quick one was on traffic data.

Would you guys be continuing to report traffic data on a monthly basis? And second one is on free cash flow visibility for the remainder of the year. Do you have an estimate on what the free cash flow burn could look like at Avianca and GOL levels? And sort of, are there any weapons you can use, sort of, mitigate it? Thank you.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

Macris, do you want to take that first one?

Maria Ricardo - Head of Investor Relations, Abra Group Limited:

In terms of the traffic report, we are currently posting the information under the Abra's website and you'll find information as a Group and per operating company. So, we'll plan to keep it posting that information monthly.

Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited:

The second question that you had was on cash burn. Look, we, before the war, we were estimated to kind of marginally create cash this year as a Group. There will be a burn.

It kind of depends on where the fuel ends up happening and how much recapture actually happens. You can estimate that from the recapture that we're giving you. You can figure out kind of how much the cash, you can have your own estimate of how much cash burn there should be, right?

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

Yeah. Again, if you were to project that our base case was very marginal cash generation, the 60% recapture, you can pretty much back into what the 40% is, right?

Question:

Sorry, could you please explain a little on what the recapture means? I missed that. Thank you.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

So, the recapture is pretty simple. If you assume what we expected to spend in fuel based on the fuel levels pre-war, and then you project, you know, and we...

Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited:

The amount of fuel that we consume per month.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

Yeah, we consume about 70 million gallons a month, right?

Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited:

A month, yeah.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

Right? So, if you project that out and you say, okay, well, the delta is X, right? And sorry that we're being cautious here, but again, we don't provide forward projections, right?

So, if you were to say, 70 million gallons a month with the delta of, what the fuel curve has increased since the war started, and you say, okay, well, there's a difference there, right? Of the delta times the 70 million gallons times 10 months. We expect that 60% of that will be recaptured through price increases of tickets.

Why is it not 100%? There's a couple of effects, right? There's one, the ramp, right?

The time it takes for us to actually push tickets through, push pricing through, and hopefully have competitors pass through their pricing and have new price levels stick. So, there's a timing effect there. It just takes time.

Two, there's a booking curve effect, right? There were tickets that were already sold before we started raising prices. So, obviously, you know, those tickets have no ability to adjust.

And three, you know, there's a couple of points of load to fall away that we're seeing. So, when you take all of those effects into account, we don't manage to get 100% of it instantly, right? We believe that by the end of the year, we are running at 100% recapture, but that ramp means that only 60% of that differential that you would get by taking the 70 million gallons that we use a month and applying the price differential gets recovered in increased fares, and the rest is basically cash that we burn, right?

Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited:

And then part of that also gets compensated by hedges, right? So, we just said as of the first quarter, you had one month of hedges that came due. We talked about this in the cash flow that we were showing you.

We made about $60 million on the compensation for that hedge. That hedge at that level, we also had for two-thirds of the months into the second quarter, and then we have hedges at a higher price, therefore, kind of a lower compensation, right?

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

Yes, sorry. That is a good point. The recapture is not, it's gross to the hedges, right?

So, the hedges give us back some of the cash.

Question:

Got it. Got it. Thank you so much.

And maybe just one last one from my side was these hedges primarily would be at Avianca level, right, given your competitors also hedge, but, I mean, in GOL, sort of, competitors also don't hedge. Is my understanding right?

Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited:

The hedges were taken at Avianca. That is correct. Now, GOL benefits from the pass-through mechanism of Petrobras in Brazil, right?

So, even though kind of the international prices of fuel increased simultaneously everywhere, in Brazil, the effect was delayed at least in a month, right? So, that has an effect on your cash flows as well.

Operator:

Your next question comes from the line of Jens Spiess with Morgan Stanley. Please go ahead.

Question:

Hi, guys. I have a few questions. Just on the fuel recapture, your 60% guide, what is your jet fuel assumption throughout the year for that guide?

Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited:

So, we are assuming kind of in the short term, we're assuming fuel to be kind of what, where it is more or less. Then, into the future, kind of, you can assume we're keeping it flat, but you can assume that something's going to happen with fuel. If you look at what other airlines have put in there, they're assuming a forward curve, which slightly reduces the cost of fuel.

In our 60% recapture, we are assuming $4.00 dollars.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

Right, right, $4.00 dollars, right.

Manuel Irarrazaval - Chief Financial Officer, Abra Group Limited:

So, if you were to adjust it to what you've seen in other airlines or to a forward curve, the recapture is probably higher.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

The 60% is based off of a flat $4.00 dollars, right?

Question:

Yeah, that's clear. Perfect. Yeah.

And the price increases that you already implemented, first of all, what's the magnitude of those increases, and are those increases already sufficient to recapture under the current fuel price environment, or would you need to do additional price increases further down the road?

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

On a yield basis year-over-year, if you were to look at the immediate daily sales report, weekly sales reports of the individual companies, you'd basically see that we're now fully passed through, right? Our price increases on average on yield, which is a long-winded way of saying it, right? But again, you've got different markets where you've increased in some, not in others.

You've increased different lengths of haul differently, etcetera. But on a yield basis, which is ultimately unit revenue or unit revenue net, not affected by demand elasticity, we are more than fully passed through at this point, right? Now, and we're not seeing significant reductions in demand.

So, if that continues to hold, then again, we will get to 100% by the time the existing bookings that were sold prior to the latest price increases burn off, and then we get basically fully refreshed pricing into the plane. Does that make sense?

Question:

It makes sense, definitely. And just to that last point, what's the average duration of your booking curve?

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

Forty-five days, 45, 46 days today. Again, down five days from where we were at the same time last year.

Question:

Got it, got it, got it. And last question, and sorry for making so many questions. Like how much could you potentially decrease capacity at the GOL and Abra level, if you could give individual numbers, in case that the fuel situation deteriorates further, just to see how much leeway you have to adjust capacity. Thank you.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

Okay. It's very easy for us to bring down high single digits of capacity, right? Once you start getting above that, it requires more planning.

The problem, just to crystallize it for everybody, there's two parts to that, right? One, we're not seeing the need for that, right? And so, which, obviously we're all cautious and this is a brand-new world.

So, you know, we continue to look at it. And, you, we, again, like Celso said, and like Gabriel said, we've made tactical adjustments because they're opportunistic, but we're not really seeing demand destruction and we're heading into the strongest part of the year, right, into summer. So, we're not seeing that today.

The second piece of that is what matters, we believe, right? We fly, like most of our peers in our market, we fly very few non-competed routes, right? So, when you think about the capacity to bring down or the ability to bring down capacity, you know, the critical metric is ultimately going to be the industry-wide ability to bring down capacity, right?

Because actions by one competitor that aren't followed by another are ultimately just going to result in market sure shifts that don't actually address any issues if and when those arise, right? So, again, high single digits is easy and we can do that tactically and very quickly. When you start getting much above that, it, A, requires a little bit more planning and, B, starts impacting your CASK pretty substantially, right? Because you're still carrying, at least for a while, the costs of those, the labor costs and the ownership costs of the ASKs you aren't flying, right? You're saving the maintenance costs and fuel costs and some other, marginal costs.

Question:

Yes. Thank you, again.

Operator:

Your final question comes from the line of Gavin McKeown with Amundi. Please go ahead.

Question:

Hey, guys. Most of my questions have actually been answered and, but I just want to ask at the GOL level, you do have flex in terms of deliveries, is that still the case? So, you're expecting about one max per month, right?

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

We have flex in terms of deliveries. That's right. And we have flex in terms of re-deliveries, right?

So, again, more structural capacity adjustments we can do. This is a little bit of a corollary to sort of the first question that was asked, right? Again, we think, like all of our peers, are trying to figure out where this ultimately settles out.

It has been a much stronger demand environment than I think any of us would have predicted, given, just A, geopolitical risk, which tends to decrease interest in flying, but B, also, the pretty rapid reaction that we as an industry have had to pass this through and sort of the reaction consumers are having. So, you're seeing, pretty substantial price increases with pretty marginal impacts on demand. Does that hold? Does it not hold? I think that is the big question. And so, what we're doing is we're reacting tactically, and then we're looking at the flexibility we have in longer term.

And if we see substantial demand structures start kicking in, then we will obviously adjust our long-term capacity plan, right? And that, again, like you said, we have flexibility. There's an additional corollary to that flexibility, right, which is, if you believe that higher fuel is here for longer, then the right bias is to take the flexibility that we have on the re-deliveries more than on the new asset deliveries, right?

Because Maxes make a lot more sense at $4.00 dollars fuel, right? And at $2.00 dollars fuel, you tend to bias towards the older kit, right? So, that's another piece of the puzzle that I think we all want to figure out is, A, what's the right size of fleet, and the right growth level for the next couple of years? And then, B, what are the right planes to adjust to that with?

Question:

That's super helpful, thanks. Just one thing, if you don't mind, by way of feedback, I think it would be helpful to try and look at fuel recapture by OpCo, something that you can provide going forwards, which they're going to prepare for the high fuel and the corollary you've given. Thank you.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

I will give you some guidance there, which is they're not that different right now. So, GOL increased pricing faster. Avianca has now largely caught up.

The recapture projections for the year are pretty aligned on both. And, but Avianca does have a cash benefit from the hedges, right? I think that should sort of address most of the questions you would have.

Question:

Okay.

Operator:

That concludes our question-and-answer session. I will now turn the call back over to Adrian Neuhauser for closing remarks.

Adrian Neuhauser - Chief Executive Officer, Abra Group Limited:

Great. Thank you, operator. Thanks, everyone, for joining.

Again, interesting environment to be operating in. You know, we're very proud of the first quarter results we delivered. We're proud of the progress we're making.

We're also proud of how our thesis is working in terms of driving synergies, giving us more operational and commercial flexibility, helping us reduce our costs and really helping the Group show continued resiliency and financial strength. So, again, look, thank you all for your continued support and interest. And we look forward to speaking to you on our next quarterly call.

Thanks a lot.

Operator:

Ladies and gentlemen, this concludes today’s call, thank you all for joining and you may disconnect.

About Abra

Abra is a leading air transportation company across Latin America that brings together the iconic Avianca and GOL airline brands, along with a strategic investment in Wamos Air, on a unified, pan-Latin American platform. The Company also encompasses leading loyalty programs (LifeMiles and Smiles) and robust cargo operations. In addition, Abra holds convertible debt representing a minority ownership interest in Sky Airline.
Avianca, the second-oldest airline in the world, operates a fleet primarily comprised of A320 and B787 passenger aircraft, as well as cargo aircraft. GOL, one of Brazil's leading airlines, operates a fleet largely composed of B737 passenger aircraft. Wamos Air is a leading European provider of wide-body Aircraft, Crew, Maintenance and Insurance (ACMI) services, operating A330 passenger aircraft. Abra has approximately 30,000 employees and operates a fleet of more than 300 aircraft, with scheduled flights serving more than 25 countries and over 145 destinations. For more information, visit www.abragroup.net