

## News Release

### Air Canada Reports Second Quarter 2024 Financial Results

- Second quarter operating revenues of \$5.5 billion, increased 2% year over year
- Operating income of \$466 million, decreased \$336 million year over year
- Adjusted EBITDA\* of \$914 million, decreased \$306 million year over year
- Leverage ratio\* of 1.0 as at June 30, 2024, compared to 1.1 at end of 2023

MONTREAL, August 7, 2024 – Air Canada today reported its second quarter 2024 financial results.

“Air Canada today reported second quarter operating revenues of more than \$5.5 billion and adjusted EBITDA of \$914 million. We saw healthy demand, with load factors remaining above historical averages. We remained sharply focused on our customers and operations throughout the quarter and experienced a 10-percentage point year-over-year improvement in our on-time performance, even with the increased flying. I thank our employees for their hard work in safely transporting 11.6 million customers in the quarter and I am pleased to see their efforts recognized as we were ranked the best airline in Canada and received five honours at the Skytrax 2024 World Airline Awards, the most of any Canadian carrier,” said Michael Rousseau, President and Chief Executive Officer of Air Canada.

“When compared to the second quarter of 2023, we increased our capacity 6.5 per cent in the period. Our adjusted unit cost was well contained, increasing 1.7 per cent. This was supported through rigorous cost discipline, which is always a top priority for us. We will continue to adapt to market conditions, manage capacity proactively and contain costs through productivity and other initiatives.

We further diversified our network, including with services to Singapore, Stockholm and India, and enhanced our operational flexibility by securing an additional eight Boeing 737-8 aircraft, set to enter service next year. These actions reaffirm our dedication to our customers, whom I thank for their continued loyalty. We are proud of our role as Canada’s leading global airline, connecting Canada to the world.”



*Adjusted CASM, adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization), adjusted EBITDA margin, leverage ratio, net debt, adjusted pre-tax income (loss), adjusted net income (loss), adjusted earnings (loss) per share, and free cash flow are referred to in this news release. Such measures are non-GAAP financial measures, non-GAAP ratios, or supplementary financial measures, are not recognized measures for financial statement presentation under GAAP, do not have standardized meanings, may not be comparable to similar measures presented by other entities and should not be considered a substitute for or superior to GAAP results. Refer to the "Non-GAAP Financial Measures" section of this news release for descriptions of these measures, and for a reconciliation of Air Canada non-GAAP measures used in this news release to the most comparable GAAP financial measure.*

## **Second Quarter 2024 Financial Results**

The following is an overview of Air Canada's results of operations and financial position for the second quarter 2024 compared to the second quarter 2023.

- Operating revenues of \$5.519 billion increased \$92 million or 2% on 6.5% more operated capacity. The year-over-year capacity increase was in line the projection provided in Air Canada's May 2, 2024, news release.
- Operating expenses of \$5.053 billion increased \$428 million or 9%.
- Operating income of \$466 million, with an operating margin of 8.4%, decreased \$336 million.
- Adjusted EBITDA of \$914 million, with an adjusted EBITDA margin of 16.6%, declined \$306 million.
- Net income of \$410 million or \$1.04 diluted earnings per share, compared to \$838 million or \$2.34 respectively.
- Adjusted net income of \$369 million or \$0.98 adjusted earnings per diluted share, compared to \$664 million or \$1.85 respectively.
- Adjusted CASM of 13.53 cents increased 1.7% year-over-year, driven by labour, maintenance and information technology expenses increasing at a higher rate than capacity.
- Net cash flows from operating activities of \$924 million, decreased \$566 million.
- Free cash flow\* of \$451 million, decreased \$514 million.
- Net debt-to-adjusted EBITDA ratio was 1.0 at June 30, 2024, compared to 1.1 at December 31, 2023.

## **Outlook**

For the third quarter of 2024, Air Canada plans to increase its ASM capacity between 4% and 4.5% from the same quarter in 2023.

For the full year 2024, Air Canada is confirming the following guidance, which was updated on July 22, 2024:

<b>Metric</b>	<b>2024 Guidance</b>
<b>ASM capacity</b>	5.5 to 6.5% increase versus 2023
<b>Adjusted CASM</b>	2.5 to 3.5% increase versus 2023
<b>Adjusted EBITDA</b>	\$3.1 to \$3.4 billion

## ***Major Assumptions***



The only Four-Star international network carrier in North America

Air Canada made assumptions in providing its guidance—including moderate Canadian GDP growth for 2024. Air Canada also assumes that the Canadian dollar will trade, on average, at C\$1.36 per U.S. dollar for the full year 2024 and that the price of jet fuel will average C\$1.03 per litre for the full year 2024.

## **Non-GAAP Financial Measures**

Below is a description of certain non-GAAP financial measures and ratios used by Air Canada to provide readers with additional information on its financial and operating performance. Such measures are not recognized measures for financial statement presentation under GAAP, do not have standardized meanings, may not be comparable to similar measures presented by other entities and should not be considered a substitute for or superior to GAAP results.

Air Canada excludes the effect of impairment of assets, if any, when calculating adjusted CASM, adjusted EBITDA, adjusted EBITDA margin, adjusted pre-tax income (loss) and adjusted net income (loss) as it may distort the analysis of certain business trends and render comparative analysis across periods or to other airlines less meaningful. Air Canada did not record charges for impairment of assets in the first six months of 2024 or in 2023.

### **Adjusted CASM**

Air Canada uses adjusted CASM to assess the operating and cost performance of its ongoing airline business without the effects of aircraft fuel expense, the cost of ground packages at Air Canada Vacations and freighter costs as these items may distort the analysis of certain business trends and render comparative analysis across periods less meaningful and their exclusion generally allows for a more meaningful analysis of Air Canada's operating expense performance and a more meaningful comparison to that of other airlines.

In calculating adjusted CASM, aircraft fuel expense is excluded from operating expense results as it fluctuates widely depending on many factors, including international market conditions, geopolitical events, jet fuel refining costs and Canada/U.S. currency exchange rates. Air Canada also incurs expenses related to ground packages at Air Canada Vacations which some airlines, without comparable tour operator businesses, may not incur. In addition, these costs do not generate ASMs and therefore excluding these costs from operating expense results provides for a more meaningful comparison across periods when such costs may vary.

Air Canada also incurs expenses related to the operation of freighter aircraft which some airlines, without comparable cargo businesses, may not incur. Air Canada had six Boeing 767 dedicated freighter aircraft in service as at June 30, 2024 and six as at June 30, 2023. These costs do not generate ASMs and therefore excluding these costs from operating expense results provides for a more meaningful comparison of the passenger airline business across periods.



The only Four-Star  
international network  
carrier in North America

Adjusted CASM is reconciled to GAAP operating expense as follows:

(Canadian dollars in millions, except where indicated)	Second Quarter			First Six Months		
	2024	2023	Change	2024	2023	Change
<b>Operating expense – GAAP</b>	\$ 5,053	\$ 4,625	\$ 428	\$ 10,268	\$ 9,529	\$ 739
<b>Adjusted for:</b>						
Aircraft fuel	(1,333)	(1,187)	(146)	(2,587)	(2,562)	(25)
Ground package costs	(137)	(126)	(11)	(472)	(444)	(28)
Freighter costs (excluding fuel)	(38)	(39)	1	(73)	(70)	(3)
<b>Operating expense, adjusted for the above-noted items</b>	\$ 3,545	\$ 3,273	\$ 272	\$ 7,136	\$ 6,453	\$ 683
<b>ASMs (millions)</b>	26,203	24,606	6.5%	50,540	46,513	8.7%
<b>Adjusted CASM (cents)</b>	¢ 13.53	¢ 13.30	¢ 0.23	¢ 14.12	¢ 13.87	¢ 0.25

## EBITDA and Adjusted EBITDA

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) is commonly used in the airline industry and is used by Air Canada as a means to view operating results before interest, taxes, depreciation and amortization as these costs can vary significantly among airlines due to differences in the way airlines finance their aircraft and other assets.

Adjusted EBITDA margin (adjusted EBITDA as a percentage of operating revenues) is commonly used in the airline industry and is used by Air Canada as a means to measure the operating margin before interest, taxes, depreciation and amortization as these costs can vary significantly among airlines due to differences in the way airlines finance their aircraft and other assets.

Adjusted EBITDA and adjusted EBITDA margin are reconciled to GAAP operating income (loss) as follows:

(Canadian dollars in millions, except where indicated)	Second Quarter			First Six Months		
	2024	2023	Change	2024	2023	Change
<b>Operating income – GAAP</b>	\$ 466	\$ 802	\$ (336)	\$ 477	\$ 785	\$ (308)
<b>Add back:</b>						
Depreciation and amortization	448	418	30	890	846	44
<b>Adjusted EBITDA</b>	\$ 914	\$ 1,220	\$ (306)	\$ 1,367	\$ 1,631	\$ (264)
<b>Operating revenues</b>	\$ 5,519	\$ 5,427	\$ 92	\$ 10,745	\$ 10,314	\$ 431
<b>Operating margin (%)</b>	8.4	14.8	(6.4) pp	4.4	7.6	(3.2) pp
<b>Adjusted EBITDA margin (%)</b>	16.6	22.5	(5.9) pp	12.7	15.8	(3.1) pp

## Adjusted Pre-tax Income (Loss)

Adjusted pre-tax income (loss) is used by Air Canada to assess the overall pre-tax financial performance of its business without the effects of foreign exchange gains or losses, net interest relating to employee benefits, gains or losses on financial instruments recorded at fair value, gains or losses on sale and leaseback of assets, gains or losses on disposal of assets, gains or losses on



The only Four-Star international network carrier in North America

debt settlements and modifications, as these items may distort the analysis of certain business trends and render comparative analysis across periods or to other airlines less meaningful.

Adjusted pre-tax income (loss) is reconciled to GAAP income (loss) before income taxes as follows:

(Canadian dollars in millions)	Second Quarter			First Six Months		
	2024	2023	\$ Change	2024	2023	\$ Change
<b>Income before income taxes – GAAP</b>	\$ 404	\$ 796	\$ (392)	\$ 339	\$ 773	\$ (434)
<b>Adjusted for:</b>						
Foreign exchange (gain) loss	2	(251)	253	(57)	(378)	321
Net interest relating to employee benefits	(6)	(6)	-	(11)	(12)	1
(Gain) loss on financial instruments recorded at fair value	(29)	115	(144)	(40)	77	(117)
Loss on debt settlement	-	2	(2)	46	2	44
<b>Adjusted pre-tax income</b>	\$ 371	\$ 656	\$ (285)	\$ 277	\$ 462	\$ (185)

### Adjusted Net Income (Loss) and Adjusted Earnings (Loss) Per Share – Diluted

Air Canada uses adjusted net income (loss) and adjusted earnings (loss) per share – diluted as a means to assess the overall financial performance of its business without the after-tax effects of foreign exchange gains or losses, net financing expense relating to employee benefits, gains or losses on financial instruments recorded at fair value, gains or losses on sale and leaseback of assets, gains or losses on debt settlements and modifications, gains or losses on disposal of assets as these items may distort the analysis of certain business trends and render comparative analysis to other airlines less meaningful.

Adjusted net income (loss) and adjusted earnings (loss) per shares are reconciled to GAAP net income as follows:

(Canadian dollars in millions)	Second Quarter			First Six Months		
	2024	2023	\$ Change	2024	2023	\$ Change
<b>Net income – GAAP</b>	\$ 410	\$ 838	\$ (428)	\$ 329	\$ 842	\$ (513)
<b>Adjusted for:</b>						
Foreign exchange (gain) loss	2	(251)	253	(57)	(378)	321
Net interest relating to employee benefits	(6)	(6)	-	(11)	(12)	1
(Gain) loss on financial instruments recorded at fair value	(29)	115	(144)	(40)	77	(117)
Loss on debt settlement	-	2	(2)	46	2	44
Income tax, including for the above reconciling items <sup>(1)</sup>	(8)	(34)	26	6	(55)	61
<b>Adjusted net income</b>	\$ 369	\$ 664	\$ (295)	\$ 273	\$ 476	\$ (203)
Weighted average number of outstanding shares used in computing diluted income per share (in millions)	376	358	18	376	358	18
<b>Adjusted earnings per share – diluted</b>	\$ 0.98	\$ 1.85	\$ (0.87)	\$ 0.73	\$ 1.33	\$ (0.60)



The only Four-Star international network carrier in North America

(1) In 2024, the deferred income tax recovery recorded in other comprehensive income related to remeasurements on employee benefit liabilities is offset by a deferred income tax expense which was recorded through Air Canada's consolidated statement of operations. This expense is removed from adjusted net income for the year 2024. In comparison, a deferred tax recovery was removed from adjusted net income for the second quarter of 2023.

The table below reflects the share amounts used in the computation of basic and diluted earnings per share on an adjusted earnings per share basis:

(In millions)	Second Quarter		First Six Months	
	2024	2023	2024	2023
<b>Weighted average number of shares outstanding – basic</b>	<b>358</b>	<b>358</b>	<b>358</b>	<b>358</b>
Effect of dilution	18	-	18	-
<b>Weighted average number of shares outstanding – diluted</b>	<b>376</b>	<b>358</b>	<b>376</b>	<b>358</b>

## Free Cash Flow

Air Canada uses free cash flow as an indicator of the financial strength and performance of its business, indicating the amount of cash Air Canada can generate from operations and after capital expenditures. Free cash flow is calculated as net cash flows from operating activities minus additions to property, equipment, and intangible assets, and is net of proceeds from sale and leaseback transactions.

The table below reconciles free cash flow to net cash flows from (used in) operating activities for the periods indicated.

(Canadian dollars in millions)	Second Quarter			First Six Months		
	2024	2023	\$ Change	2024	2023	\$ Change
<b>Net cash flows from operating activities</b>	<b>\$ 924</b>	<b>\$ 1,490</b>	<b>\$ (566)</b>	<b>\$ 2,516</b>	<b>\$ 2,927</b>	<b>\$ (411)</b>
Additions to property, equipment, and intangible assets	(473)	(525)	52	(1,009)	(975)	(34)
<b>Free cash flow <sup>(1)</sup></b>	<b>\$ 451</b>	<b>\$ 965</b>	<b>\$ (514)</b>	<b>\$ 1,507</b>	<b>\$ 1,952</b>	<b>\$ (445)</b>

## Net Debt

Net debt is a capital management measure and a key component of the capital managed by Air Canada and provides management with a measure of its net indebtedness.

## Net Debt to Trailing 12-Month Adjusted EBITDA (Leverage Ratio)

Net debt to trailing 12-month adjusted EBITDA ratio (also referred to as “leverage ratio”) is commonly used in the airline industry and is used by Air Canada as a means to measure financial leverage. Leverage ratio is calculated by dividing net debt by trailing 12-month adjusted EBITDA.



The only Four-Star international network carrier in North America

The table below reconciles leverage ratio to Air Canada's debt net balances as at the dates indicated.

(Canadian dollars in millions)	June 30, 2024	December 31, 2023	Change
Total long-term debt and lease liabilities	\$ 10,858	\$ 12,996	\$ (2,138)
Current portion of long-term debt and lease liabilities	1,619	866	753
<b>Total long-term debt and lease liabilities (including current portion)</b>	<b>12,477</b>	<b>13,862</b>	<b>(1,385)</b>
Less cash, cash equivalents and short- and long-term investments	(8,869)	(9,295)	426
<b>Net debt <sup>(1)</sup></b>	<b>\$ 3,608</b>	<b>\$ 4,567</b>	<b>\$ (959)</b>
<b>Adjusted EBITDA (trailing 12 months)</b>	<b>\$ 3,718</b>	<b>3,982</b>	<b>(264)</b>
<b>Net debt to adjusted EBITDA ratio <sup>(1)</sup></b>	<b>1.0</b>	<b>1.1</b>	<b>(0.1)</b>

For further information on Air Canada's public disclosure file, including Air Canada's 2023 Annual Information Form, dated March 4, 2024, consult SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

## **Second Quarter 2024 Conference Call**

Air Canada will host its quarterly analysts' call today, Wednesday, August 7, 2024, at 8:00 a.m. ET. Michael Rousseau, President and Chief Executive Officer, John Di Bert, Executive Vice President and Chief Financial Officer, and Mark Galardo, Executive Vice President, Revenue and Network Planning and President, Cargo, will present the results and be available for analysts' questions. Immediately following the analysts' Q&A session, Mr. Di Bert and Pierre Houle, Vice President and Treasurer, will be available to answer questions from term loan B lenders and holders of Air Canada bonds.

Media and the public may access this call on a listen-in basis. Details are as follows:

Webcast: <https://edge.media-server.com/mmc/p/gkyhtmt>

By telephone: +1-647-932-3411 or 1-800-715-9871 (toll-free)

Conference ID 6478306

Please allow 10 minutes to be connected to the conference call.

## **CAUTION REGARDING FORWARD-LOOKING INFORMATION**

*This news release includes forward-looking statements within the meaning of applicable securities laws. Forward-looking statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements may involve, but are not limited to, comments relating to guidance, strategies, expectations, planned operations or future actions. Forward-looking statements are identified using terms and phrases such as "preliminary", "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions.*



The only Four-Star  
international network  
carrier in North America



*Forward-looking statements, by their nature, are based on assumptions including those described herein and are subject to important risks and uncertainties. Forward-looking statements cannot be relied upon due to, among other things, changing external events and general uncertainties of the business of Air Canada. Actual results may differ materially from results indicated in forward-looking statements due to a number of factors, including those discussed below.*

*Factors that may cause results to differ materially from results indicated in forward-looking statements include economic conditions as well as geopolitical conditions such as the military conflicts in the Middle East and between Russia and Ukraine, Air Canada's ability to successfully achieve or sustain positive net profitability, industry and market conditions and the demand environment, competition, Air Canada's dependence on technology, cybersecurity risks, interruptions of service, climate change and environmental factors (including weather systems and other natural phenomena and factors arising from anthropogenic sources), Air Canada's dependence on key suppliers (including government agencies and other stakeholders supporting airport and airline operations), employee and labour relations and costs, Air Canada's ability to successfully implement appropriate strategic and other important initiatives (including Air Canada's ability to manage operating costs), energy prices, Air Canada's ability to pay its indebtedness and maintain or increase liquidity, Air Canada's dependence on regional and other carriers, Air Canada's ability to attract and retain required personnel, epidemic diseases, changes in laws, regulatory developments or proceedings, terrorist acts, war, Air Canada's ability to successfully operate its loyalty program, casualty losses, Air Canada's dependence on Star Alliance® and joint ventures, Air Canada's ability to preserve and grow its brand, pending and future litigation and actions by third parties, currency exchange fluctuations, limitations due to restrictive covenants, insurance issues and costs, and pension plan obligations as well as the factors identified in Air Canada's public disclosure file available at [www.sedarplus.ca](http://www.sedarplus.ca) and, in particular, those identified in section 18 "Risk Factors" of Air Canada's 2023 MD&A and in section 14 "Risk Factors" of Air Canada's Second Quarter 2024 MD&A.*

*Air Canada has and continues to establish targets, make commitments and assess the impact regarding climate change, and related initiatives, plans and proposals that Air Canada and other stakeholders (including government, regulatory and other bodies) are pursuing in relation to climate change and carbon emissions. The achievement of our commitments and targets depends on many factors, including the combined actions of governments, industry, suppliers and other stakeholders and actors, as well as the development and implementation of new technologies. In particular, our 2030 and 2050 carbon emission related targets are ambitious, and heavily dependent on new technologies, renewable energies and the availability of a sufficient supply of sustainable aviation fuels (SAF) which continues to present serious challenges. In addition, Air Canada has incurred, and expects to continue to incur, costs to achieve its goal of net-zero carbon emissions and to comply with environmental sustainability legislation and regulation and other standards and accords. The precise nature of future binding or non-binding legislation, regulation, standards and accords, on which local and international stakeholders are increasingly focusing, cannot be predicted with any degree of certainty, nor can their financial, operational or other impact. There can be no assurance of the extent to which any of our climate goals will be achieved or that any future investments that we make in furtherance of achieving our climate goals will produce the expected results or meet increasing stakeholder environmental, social and governance expectations. Moreover, future events could lead Air Canada to prioritize other nearer-term interests over progressing toward our current climate goals based on business strategy, economic, regulatory and social factors, and potential pressure from investors, activist groups or other stakeholders. If we are unable to meet or properly report on our progress toward achieving*



The only Four-Star  
international network  
carrier in North America



*our climate change goals and commitments, we could face adverse publicity and reactions from investors, customers, advocacy groups or other stakeholders, which could result in reputational harm or other adverse effects to Air Canada.*

*The forward-looking statements contained or incorporated by reference in this news release represent Air Canada's expectations as of the date of this news release (or as of the date they are otherwise stated to be made) and are subject to change after such date. However, Air Canada disclaims any intention or obligation to update or revise any forward-looking statements whether because of new information, future events or otherwise, except as required under applicable securities regulations.*

– 30 –

## INFORMATION

---

**Investor Relations:** (514) 422-7849

**[investors.investisseurs@aircanada.ca](mailto:investors.investisseurs@aircanada.ca)**

**Internet:** **[investors.aircanada.com](http://investors.aircanada.com)**



The only Four-Star  
international network  
carrier in North America

# Selected Financial Metrics and Statistics

The financial and operating highlights for Air Canada for the periods indicated are as follows:

(Canadian dollars in millions, except per share data or where indicated)	Second Quarter			First Six Months		
	2024	2023	\$ Change	2024	2023	\$ Change
<b>Financial Performance Metrics</b>						
Operating revenues	5,519	5,427	92	10,745	10,314	431
Operating income	466	802	(336)	477	785	(308)
Operating margin <sup>(1)</sup> (%)	8.4	14.8	(6.4) pp <sup>(8)</sup>	4.4	7.6	(3.2) pp
Adjusted EBITDA <sup>(2)</sup>	914	1,220	(306)	1,367	1,631	(264)
Adjusted EBITDA margin <sup>(2)</sup> (%)	16.6	22.5	(5.9) pp	12.7	15.8	(3.1) pp
Income before income taxes	404	796	(392)	339	773	(434)
Net income	410	838	(428)	329	842	(513)
Adjusted pre-tax income <sup>(2)</sup>	371	656	(285)	277	462	(185)
Adjusted net income <sup>(2)</sup>	369	664	(295)	273	476	(203)
Total liquidity <sup>(3)</sup>	10,203	10,551	(348)	10,203	10,551	(348)
Net cash flows from operating activities	924	1,490	(566)	2,516	2,927	(411)
Free cash flow <sup>(2)</sup>	451	965	(514)	1,507	1,952	(445)
Net debt <sup>(2)</sup>	3,608	5,330	(1,722)	3,608	5,330	(1,722)
Diluted earnings per share	1.04	2.34	(1.30)	0.87	2.35	(1.48)
Adjusted earnings per share – diluted <sup>(2)</sup>	0.98	1.85	(0.87)	0.73	1.33	(0.60)
<b>Operating Statistics <sup>(4)</sup></b>			<b>Change %</b>			<b>Change %</b>
Revenue passenger miles (RPMs) (millions)	22,449	21,617	3.8	42,969	40,195	6.9
Available seat miles (ASMs) (millions)	26,203	24,606	6.5	50,540	46,513	8.7
Passenger load factor %	85.7%	87.9%	(2.2) pp	85.0%	86.4%	(1.4) pp
Passenger revenue per RPM (Yield) (cents)	22.2	22.7	(2.0)	22.0	22.4	(2.0)
Passenger revenue per ASM (PRASM) (cents)	19.0	19.9	(4.4)	18.7	19.3	(3.4)
Operating revenue per ASM (TRASM) (cents)	21.1	22.1	(4.5)	21.3	22.2	(4.1)
Operating expense per ASM (CASM) (cents)	19.3	18.8	2.6	20.3	20.5	(0.8)
Adjusted CASM (cents) <sup>(2)</sup>	13.5	13.3	1.7	14.1	13.9	1.8
Average number of full-time-equivalent (FTE) employees (thousands) <sup>(5)</sup>	37.2	35.9	3.5	37.1	35.2	5.3
Aircraft in operating fleet at period-end	356	354	0.6	356	354	0.6
Seats dispatched (thousands)	14,213	13,390	6.1	27,692	25,683	7.8
Aircraft frequencies (thousands)	97.9	93.5	4.7	188.9	178.7	5.7
Average stage length (miles) <sup>(6)</sup>	1,844	1,838	0.3	1,825	1,811	0.8
Fuel cost per litre (cents)	104.3	101.1	3.2	104.9	114.2	(8.2)
Fuel litres (thousands)	1,273,467	1,162,714	9.5	2,458,185	2,229,799	10.2
Revenue passengers carried (thousands) <sup>(7)</sup>	11,588	11,287	2.7	22,339	21,256	5.1

(1) Operating margin is a supplementary financial measure and is defined as operating income (loss) as a percentage of operating revenues.

(2) Adjusted pre-tax income (loss), adjusted net income (loss), adjusted earnings (loss) per share, adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization), adjusted EBITDA margin, free cash flow, net debt and adjusted CASM are non-GAAP financial measures, capital management measures, non-GAAP ratios or supplementary financial measures. Such measures are not recognized measures for financial statement presentation under GAAP, do not have standardized meanings, may not be comparable to similar measures presented by other entities and should not be considered a substitute for or superior to GAAP results. Refer to section "Non-GAAP Financial Measures" of this release for descriptions of Air Canada's non-GAAP financial measures and for a quantitative reconciliation of Air Canada's non-GAAP financial measures to the most comparable GAAP measure.

(3) Total liquidity refers to the sum of cash, cash equivalents, short- and long-term investments, and the amounts available under Air Canada's credit facilities. Total liquidity, as at June 30, 2024, of \$10,203 million consisted of \$8,869 million in cash, cash equivalents, short- and long-term investments and \$1,334 million available under undrawn credit facilities. As at June 30, 2023, total liquidity of \$10,551 million consisted of \$9,556 million in cash, cash equivalents, short- and long-term investments, and \$995 million available under undrawn credit facilities. Total liquidity also includes funds (\$181 million as at June 30, 2024, and \$189 million as at June 30, 2023) held in trust by Air Canada Vacations in accordance with regulatory requirements governing advance sales for tour operators.



The only Four-Star international network carrier in North America

- (4) *Except for the reference to average number of FTE employees, operating statistics in this table include third-party carriers operating under capacity purchase agreements with Air Canada.*
- (5) *Reflects FTE employees at Air Canada and its subsidiaries. Excludes FTE employees at third-party carriers operating under capacity purchase agreements with Air Canada.*
- (6) *Average stage length is calculated by dividing the total number of available seat miles by the total number of seats dispatched.*
- (7) *Revenue passengers are counted on a flight number basis (rather than by journey/itinerary or by leg), which is consistent with the IATA definition of revenue passengers carried.*
- (8) *“pp” denotes percentage points and refers to a measure of the arithmetic difference between two percentages.*



**The only Four-Star  
international network  
carrier in North America**