

Note A: The following tables show reconciliations of non-GAAP financial measures. The reasons Delta uses these measures are described below. Reconciliations may not calculate due to rounding.

Delta sometimes uses information ("non-GAAP financial measures") that is derived from the Consolidated Financial Statements, but that is not presented in accordance with accounting principles generally accepted in the U.S. ("GAAP"). Under the Securities and Exchange Commission rules, non-GAAP financial measures may be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. The tables below show reconciliations of non-GAAP financial measures used in this release to the most directly comparable GAAP financial measures.

Forward Looking Projections. Delta is not able to reconcile forward looking non-GAAP financial measures without unreasonable effort because the adjusting items such as those used in the reconciliations below will not be known until the end of the period and could be significant.

Adjustments. These reconciliations include certain adjustments to GAAP measures that are made to provide comparability between the reported periods, if applicable, and for the reasons indicated below:

MTM adjustments and settlements on hedges. Mark-to-market ("MTM") adjustments are defined as fair value changes recorded in periods other than the settlement period. Such fair value changes are not necessarily indicative of the actual settlement value of the underlying hedge in the contract settlement period, and therefore we remove this impact to allow investors to better understand and analyze our core performance. Settlements represent cash received or paid on hedge contracts settled during the applicable period.

MTM adjustments on investments. Unrealized gains/losses result from our equity investments that are accounted for at fair value in non-operating expense. The gains/losses are driven by changes in stock prices, foreign currency fluctuations and other valuation techniques for investments in certain companies, particularly those without publicly-traded shares. During the December 2023 quarter, Delta recorded an \$848 million MTM gain from our investment in Wheels Up based on the closing price of its shares at the end of the quarter as traded on the New York Stock Exchange. Adjusting for these gains/losses allows investors to better understand and analyze our core operational performance in the periods shown.

Loss on extinguishment of debt. This adjustment relates to early termination of a portion of our debt. Adjusting for these losses allows investors to better understand and analyze our core operational performance in the periods shown.

One-time pilot agreement expenses. In the March 2023 quarter, Delta pilots ratified a new four-year Pilot Working Agreement effective January 1, 2023. The agreement includes a provision for a one-time payment made upon ratification in the March 2023 quarter of \$735 million. Additionally, we recorded adjustments to other benefit-related items of approximately \$130 million. Adjusting for these expenses allows investors to better understand and analyze our core cost performance.

Restructuring charges. During 2020, we recorded restructuring charges for items such as fleet impairments and voluntary early retirement and separation programs following strategic business decisions in response to the COVID-19 pandemic. During 2022, we recognized adjustments to certain of those restructuring charges, representing changes in our estimates.

Third-party refinery sales. Refinery sales to third parties, and related expenses, are not related to our airline segment. Excluding these sales therefore provides a more meaningful comparison of our airline operations to the rest of the airline industry.

Delta Private Jets adjustment. Because we combined Delta Private Jets with Wheels Up in January 2020, we have excluded the impact of Delta Private Jets from 2019 results for comparability.

Pre-Tax Income, Net Income, and Diluted Earnings per Share, adjusted

(in millions, except per share data)	Three Months Ended December 31, 2023			Three Months Ended December 31, 2023
	Pre-Tax Income	Income Tax	Net Income	Earnings Per Diluted Share
GAAP	\$ 2,275	\$ (238)	\$ 2,037	\$ 3.16
Adjusted for:				
MTM adjustments and settlements on hedges	7			
MTM adjustments on investments	(1,218)			
Non-GAAP	\$ 1,064	\$ (238)	\$ 826	\$ 1.28

(in millions, except per share data)	Year Ended December 31, 2023			Year Ended December 31, 2023
	Pre-Tax	Income	Net	Earnings
	Income	Tax	Income	Per Diluted Share
GAAP	\$ 5,608	\$ (999)	\$ 4,609	\$ 7.17
Adjusted for:				
MTM adjustments and settlements on hedges	(52)			
MTM adjustments on investments	(1,263)			
Loss on extinguishment of debt	63			
One-time pilot agreement expenses	864			
Non-GAAP	\$ 5,220	\$ (1,200)	\$ 4,020	\$ 6.25

(in millions, except per share data)	Year Ended December 31, 2022			Year Ended December 31, 2022
	Pre-Tax	Income	Net	Earnings
	Income	Tax	Income	Per Diluted Share
GAAP	\$ 1,914	\$ (596)	\$ 1,318	\$ 2.06
Adjusted for:				
MTM adjustments and settlements on hedges	29			
MTM adjustments on investments	784			
Loss on extinguishment of debt	100			
Restructuring charges	(124)			
Non-GAAP	\$ 2,703	\$ (650)	\$ 2,053	\$ 3.20

Operating Revenue, adjusted and Revenue Per Available Seat Mile ("TRASM"), adjusted

(in millions)	Three Months Ended			4Q23 vs 4Q22 % Change
	December 31, 2023	March 31, 2023	December 31, 2022	
Operating revenue	\$ 14,223	\$ 12,759	\$ 13,435	
Adjusted for:				
Third-party refinery sales	(563)	(916)	(1,142)	
Operating revenue, adjusted	\$ 13,661	\$ 11,842	\$ 12,292	11 %

(in millions)	Year Ended			FY23 vs FY22 % Change
	December 31, 2023	December 31, 2022	December 31, 2019	
Operating revenue	\$ 58,048	\$ 50,582	\$ 47,007	
Adjusted for:				
Third-party refinery sales	(3,379)	(4,977)	(97)	
Delta Private Jets adjustment	—	—	(192)	
Operating revenue, adjusted	\$ 54,669	\$ 45,605	\$ 46,718	20 %

	Three Months Ended			4Q23 vs 4Q22 % Change
	December 31, 2023	March 31, 2023	December 31, 2022	
TRASM (cents)	20.78	20.80	22.58	
Adjusted for:				
Third-party refinery sales	(0.82)	(1.49)	(1.92)	
TRASM, adjusted	19.95	19.30	20.66	(3.4)%

	Year Ended			FY23 vs FY22 % Change	FY23 vs FY19 % Change
	December 31, 2023	December 31, 2022	December 31, 2019		
TRASM (cents)	21.34	21.69	17.07		
Adjusted for:					
Third-party refinery sales	(1.24)	(2.13)	(0.04)		
Delta Private Jets adjustment	—	—	(0.07)		
TRASM, adjusted	20.10	19.55	16.97	3 %	18 %

Operating Margin, adjusted

	Three Months Ended December 31, 2023
Operating margin	9.3 %
Adjusted for:	
Third-party refinery sales	0.4
MTM adjustments and settlements on hedges	0.1
Operating margin, adjusted	9.7 %

	Year Ended	
	December 31, 2023	December 31, 2022
Operating margin	9.5 %	7.2 %
Adjusted for:		
Third-party refinery sales	0.7	0.8
MTM adjustments and settlements on hedges	(0.1)	0.1
One-time pilot agreement expenses	1.5	—
Restructuring charges	—	(0.2)
Operating margin, adjusted	11.6 %	7.8 %

Free Cash Flow. We present free cash flow because management believes this metric is helpful to investors to evaluate the company's ability to generate cash that is available for use for debt service or general corporate initiatives. Free cash flow is also used internally as a component of our 2023 incentive compensation program. Free cash flow is defined as net cash from operating activities and net cash from investing activities, adjusted for (i) net redemptions of short-term investments, (ii) strategic investments and related, (iii) net cash flows related to certain airport construction projects and other, (iv) financed aircraft acquisitions and (v) pilot agreement payment. These adjustments are made for the following reasons:

Net redemptions of short-term investments. Net purchases/(redemptions) of short-term investments represent the net purchase and sale activity of investments and marketable securities in the period, including gains and losses. We adjust for this activity to provide investors a better understanding of the company's free cash flow generated by our operations.

Strategic investments and related. Certain cash flows related to our investments in and related transactions with other airlines and associated companies are included in our GAAP investing activities. We adjust for this activity because it provides a more meaningful comparison to our airline industry peers.

Net cash flows related to certain airport construction projects and other. Cash flows related to certain airport construction projects are included in our GAAP operating activities and capital expenditures. We have adjusted for these items, which were primarily funded by cash restricted for airport construction, to provide investors a better understanding of the company's free cash flow and capital expenditures that are core to our operations in the periods shown.

Financed aircraft acquisitions. This adjustment reflects aircraft deliveries that are leased as capital expenditures. The adjustment is based on their original contractual purchase price or an estimate of the aircraft's fair value and provides a more meaningful view of our investing activities.

Pilot agreement payment. In the March 2023 quarter, Delta pilots ratified a new four-year Pilot Working Agreement effective January 1, 2023. The agreement includes a provision for a one-time payment made upon ratification in the March 2023 quarter of \$735 million. We adjust for this item to provide investors a better understanding of our recurring free cash flow generated by our operations.

(in millions)	Year Ended	
	December 31, 2023	
Net cash provided by operating activities	\$	6,464
Net cash used in investing activities		(3,148)
Adjusted for:		
Net redemptions of short-term investments		(2,235)
Strategic investments and related		152
Net cash flows related to certain airport construction projects and other		496
Financed aircraft acquisitions		(461)
Pilot agreement payment		735
Free cash flow	\$	2,003

Gross Capital Expenditures. We adjust capital expenditures for the following items to determine gross capital expenditures for the reasons described below:

Financed aircraft acquisitions. This adjusts capital expenditures to reflect aircraft deliveries that are leased as capital expenditures. The adjustment is based on their original contractual purchase price or an estimate of the aircraft's fair value and provides a more meaningful view of our investing activities.

Net cash flows related to certain airport construction projects. Cash flows related to certain airport construction projects are included in capital expenditures. We have adjusted for these items because management believes investors should be informed that a portion of these capital expenditures from airport construction projects are either funded with restricted cash specific to these projects or reimbursed by a third party.

(in millions)	Year Ended	
	December 31, 2023	
Flight equipment, including advance payments	\$	3,645
Ground property and equipment, including technology		1,678
Adjusted for:		
Financed aircraft acquisitions		461
Net cash flows related to certain airport construction projects		(479)
Gross capital expenditures	\$	5,305

Adjusted Debt to Earnings Before Interest, Taxes, Depreciation, Amortization and Rent ("EBITDAR"). We present adjusted debt to EBITDAR because management believes this metric is helpful to investors in assessing the company's overall debt profile. Adjusted debt includes LGA bonds and operating lease liabilities. We calculate EBITDAR by adding depreciation and amortization to GAAP operating income and adjusting for the fixed portion of operating lease expense.

(in billions)	December 31, 2023		December 31, 2022	
Debt and finance lease obligations	\$	20	\$	23
Plus: Operating lease liability		7		8
Plus: Sale leaseback liability		2		2
Adjusted Debt	\$	29	\$	33

(in billions)	Year Ended			
	December 31, 2023		December 31, 2022	
GAAP operating income	\$	6	\$	4
Adjusted for:				
One-time pilot agreement expenses		1		—
Operating income, adjusted		6		4
Adjusted for:				
Depreciation and amortization		2		2
Fixed portion of operating lease expense		1		1
EBITDAR	\$	10	\$	7

Adjusted Debt to EBITDAR	3.0x	5.0x
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After-tax Return on Invested Capital ("ROIC"). We present after-tax return on invested capital as management believes this metric is helpful to investors in assessing the company's ability to generate returns using its invested capital as a measure against the industry. Return on invested capital is tax-effected adjusted total pre-tax income divided by average adjusted invested capital. Average adjusted invested capital represents the sum of the adjusted book value of equity at the end of the last five quarters, adjusted for pension impacts within other comprehensive income. Average adjusted gross debt is calculated using amounts as of the end of the last five quarters. All adjustments to calculate ROIC are intended to provide a more meaningful comparison of our results to the airline industry.

(in millions)	Year Ended			
	December 31, 2023		December 31, 2022	
Pre-tax income	\$	5,608	\$	1,914
Adjusted for:				
MTM adjustments and settlements on hedges		(52)		29
Loss on extinguishment of debt		63		100
MTM adjustments on investments		(1,263)		784
One-time pilot agreement expenses		864		—
Restructuring charges		—		(124)
Amortization of retirement actuarial loss		246		305
Interest expense, net and interest expense included in aircraft rent		1,176		1,366
Pre-tax adjusted income	\$	6,642	\$	4,374
Tax effect		(1,507)		(1,052)
Tax-effected adjusted total pre-tax income	\$	5,135	\$	3,322

Adjusted book value of equity	\$	14,606	\$	12,140
Average adjusted gross debt		23,636		27,493
Averaged adjusted invested capital	\$	38,242	\$	39,633

After-tax Return on Invested Capital	13.4 %	8.4 %
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Operating revenue, adjusted related to premium products and diverse revenue streams

(in millions)	Year Ended December 31, 2023	
Operating revenue	\$	58,048
Adjusted for:		
Third-party refinery sales		(3,379)
Operating revenue, adjusted	\$	54,669
Less: main cabin revenue		(24,477)
Operating revenue, adjusted related to premium products and diverse revenue streams	\$	30,192
Percent of operating revenue, adjusted related to premium products and diverse revenue streams		55 %

Operating Cash Flow, adjusted. We present operating cash flow, adjusted because management believes adjusting for the following items provides a more meaningful measure for investors:

Net cash flows related to certain airport construction projects and other. Cash flows related to certain airport construction projects are included in our GAAP operating activities. We have adjusted for these items, which were primarily funded by cash restricted for airport construction, to provide investors a better understanding of the company's operating cash flow that is core to our operations in the periods shown.

Pilot agreement payment. In March 2023, Delta pilots ratified a new four-year Pilot Working Agreement effective January 1, 2023. The agreement includes a provision for a one-time payment upon ratification in the March 2023 quarter of \$735 million. We adjust for this item to provide investors a better understanding of our recurring free cash flow generated by our operations.

(in millions)	Year Ended December 31, 2023	
Net cash provided by operating activities	\$	6,464
Adjustments:		
Net cash flows related to certain airport construction projects and other		17
Pilot agreement payment		735
Net cash provided by operating activities, adjusted	\$	7,216

Non-Fuel Unit Cost or Cost per Available Seat Mile ("CASM-Ex")

We adjust CASM for certain items described above, as well as the following items and reasons described below:

Aircraft fuel and related taxes. The volatility in fuel prices impacts the comparability of year-over-year financial performance. The adjustment for aircraft fuel and related taxes allows investors to better understand and analyze our non-fuel costs and year-over-year financial performance.

Profit sharing. We adjust for profit sharing because this adjustment allows investors to better understand and analyze our recurring cost performance and provides a more meaningful comparison of our core operating costs to the airline industry.

	Three Months Ended			4Q23 vs 4Q22 % Change
	December 31, 2023	March 31, 2023	December 31, 2022	
CASM (cents)	18.84	21.25	20.11	
Adjusted for:				
Third-party refinery sales	(0.82)	(1.49)	(1.92)	
Aircraft fuel and related taxes	(4.30)	(4.36)	(4.78)	
Profit sharing	(0.44)	(0.12)	(0.46)	
One-time pilot agreement expenses	—	(1.41)	—	
Restructuring charges	—	—	0.20	
CASM-Ex	13.29	13.86	13.14	1.1 %

Year Ended
December 31, 2023

CASM (cents)	19.31
Adjusted for:	
Third-party refinery sales	(1.24)
Aircraft fuel and related taxes	(4.07)
Profit sharing	(0.51)
One-time pilot agreement expenses	(0.32)
CASM-Ex	13.17
