

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 on investments. Mark-to-market ("MTM") adjustments are defined as fair value changes recorded in periods other than the settlement period. 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. Adjusting for these gains/losses allows investors to better understand and analyze our core operational performance in the periods shown.

MTM adjustments and settlements on hedges. MTM 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.

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.

Equity investment MTM adjustments. We adjust for our proportionate share of our equity method investee, Virgin Atlantic's, hedge portfolio MTM adjustments (recorded in non-operating expense) to allow investors to understand and analyze our core operational performance in the periods shown.

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.

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.

Pre-Tax Income/(Loss), Net Income/(Loss), and Diluted Earnings/(Loss) per Share, adjusted

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2024
	Pre-Tax Income	Income Tax	Net Income	Earnings Per Diluted Share
(in millions, except per share data)				
GAAP	\$ 122	\$ (85)	\$ 37	\$ 0.06
Adjusted for:				
MTM adjustments on investments	227			
MTM adjustments and settlements on hedges	27			
Loss on extinguishment of debt	4			
Non-GAAP	\$ 380	\$ (92)	\$ 288	\$ 0.45

	Three Months Ended March 31, 2023			Three Months Ended March 31, 2023
	Pre-Tax (Loss)/Income	Income Tax	Net (Loss)/Income	(Loss)/Earnings Per Diluted Share
(in millions, except per share data)				
GAAP	\$ (506)	\$ 143	\$ (363)	\$ (0.57)
Adjusted for:				
MTM adjustments on investments	(122)			
MTM adjustments and settlements on hedges	(41)			
Loss on extinguishment of debt	22			
One-time pilot agreement expenses	864			
Non-GAAP	\$ 217	\$ (53)	\$ 163	\$ 0.25

	Three Months Ended June 30, 2023			Three Months Ended June 30, 2023
	Pre-Tax Income	Income Tax	Net Income	Earnings Per Diluted Share
(in millions, except per share data)				
GAAP	\$ 2,317	\$ (490)	\$ 1,827	\$ 2.84
Adjusted for:				
MTM adjustments on investments	(128)			
MTM adjustments and settlements on hedges	3			
Loss on extinguishment of debt	29			
Non-GAAP	\$ 2,220	\$ (498)	\$ 1,723	\$ 2.68

	Three Months Ended June 30, 2019			Three Months Ended June 30, 2019
	Pre-Tax Income	Income Tax	Net Income	Earnings Per Diluted Share
(in millions, except per share data)				
GAAP	\$ 1,907	\$ (464)	\$ 1,443	\$ 2.21
Adjusted for:				
MTM adjustments on investments	82			
MTM adjustments and settlements on hedges	10			
Equity investment MTM adjustments	(2)			
Delta Private Jets adjustment	1			
Non-GAAP	\$ 1,998	\$ (465)	\$ 1,533	\$ 2.35

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

(in millions)	Three Months Ended			1Q24 vs 1Q23 % Change
	March 31, 2024	June 30, 2023	March 31, 2023	
Operating revenue	\$ 13,748	\$ 15,578	\$ 12,759	
Adjusted for:				
Third-party refinery sales	(1,185)	(965)	(916)	
Operating revenue, adjusted	\$ 12,563	\$ 14,613	\$ 11,842	6 %

	Three Months Ended					1Q24 vs 1Q23 % Change	4Q23 vs 4Q22 % Change
	March 31, 2024	December 31, 2023	June 30, 2023	March 31, 2023	December 31, 2022		
TRASM (cents)	20.98	20.78	22.58	20.80	22.58		
Adjusted for:							
Third-party refinery sales	(1.81)	(0.82)	(1.40)	(1.49)	(1.92)		
TRASM, adjusted	19.17	19.95	21.18	19.30	20.66	(0.7)%	(3)%

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 and (ii) net cash flows related to certain airport construction projects and other. These adjustments are made for the following reasons:

Net redemptions of short-term investments. Net 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.

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.

(in millions)	Three Months Ended	
	March 31, 2024	
Net cash provided by operating activities	\$	2,408
Net cash used in investing activities		(637)
Adjusted for:		
Net redemptions of short-term investments		(546)
Net cash flows related to certain airport construction projects and other		154
Free cash flow	\$	1,378

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.

Amortization of retirement actuarial loss. This adjustment relates to actuarial gains/losses on our benefit plans. Adjusting for these results allows investors to better understand our core operational performance in the periods shown as it removes prior period differences in assumptions and actual experience within our benefit plans.

Interest expense, net and interest expense included in aircraft rent. This adjustment relates to interest expense related to debt and financing transactions. Adjusting for these results allows investors to better understand our core operational performance in the periods shown as it neutralizes the effect of our capital structure.

	Twelve Months Ended
(in millions)	March 31, 2024
Pre-tax income	\$ 6,235
Adjusted for:	
MTM adjustments on investments	(913)
MTM adjustments and settlements on hedges	16
Loss on extinguishment of debt	46
Amortization of retirement actuarial loss	243
Interest expense, net and interest expense included in aircraft rent	1,182
Pre-tax adjusted income	\$ 6,808
Tax effect	(1,552)
Tax-effected adjusted total pre-tax income	\$ 5,256
Adjusted book value of equity	\$ 15,393
Average adjusted gross debt	22,729
Averaged adjusted invested capital	\$ 38,122
After-tax Return on Invested Capital	13.8 %

Operating revenue, adjusted related to premium products and diverse revenue streams

	Three Months Ended
(in millions)	March 31, 2024
Operating revenue	\$ 13,748
Adjusted for:	
Third-party refinery sales	(1,185)
Operating revenue, adjusted	\$ 12,563
Less: main cabin revenue	(5,425)
Operating revenue, adjusted related to premium products and diverse revenue streams	\$ 7,138
Percent of operating revenue, adjusted related to premium products and diverse revenue streams	57 %

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			1Q24 vs 1Q23 % Change
	March 31, 2024	June 30, 2023	March 31, 2023	
CASM (cents)	20.04	18.97	21.25	
Adjusted for:				
Aircraft fuel and related taxes	(3.96)	(3.65)	(4.36)	
Third-party refinery sales	(1.81)	(1.40)	(1.49)	
Profit sharing	(0.19)	(0.86)	(0.12)	
One-time pilot agreement expenses	—	—	(1.41)	
CASM-Ex	14.08	13.06	13.86	1.5 %

	Year Ended December 31, 2023
CASM (cents)	19.31
Adjusted for:	
Aircraft fuel and related taxes	(4.07)
Third-party refinery sales	(1.24)
Profit sharing	(0.51)
One-time pilot agreement expenses	(0.32)
CASM-Ex	13.17

Average fuel price per gallon, adjusted

	Three Months Ended	
	March 31, 2024	June 30, 2023
Average fuel price per gallon	\$ 2.79	\$ 2.52
Adjusted for:		
MTM adjustments and settlements on hedges	(0.03)	—
Average fuel price per gallon, adjusted	\$ 2.76	\$ 2.52

Operating Margin, adjusted

	Three Months Ended		Change
	March 31, 2024	March 31, 2023	
Operating margin	4.5 %	(2.2)%	
Adjusted for:			
Third-party refinery sales	0.4	0.3	
MTM adjustments and settlements on hedges	0.2	(0.3)	
One-time pilot agreement expenses	—	6.8	
Operating margin, adjusted	5.1 %	4.6 %	0.5 pts

Pre-Tax Margin, adjusted

	Three Months Ended		Change
	March 31, 2024	March 31, 2023	
Pre-tax margin	0.9 %	(4.0)%	
Adjusted for:			
Third-party refinery sales	0.3	0.1	
MTM adjustments on investments	1.6	(1.0)	
MTM adjustments and settlements on hedges	0.2	(0.3)	
Loss on extinguishment of debt	—	0.2	
One-time pilot agreement expenses	—	6.8	
Pre-tax margin, adjusted	3.0 %	1.8 %	1.2 pts

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

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)	Three Months Ended March 31, 2024
Flight equipment, including advance payments	\$ 883
Ground property and equipment, including technology	310
Adjusted for:	
Net cash flows related to certain airport construction projects	(83)
Gross capital expenditures	\$ 1,110

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 operating lease liabilities and sale leaseback 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)	March 31, 2024
Debt and finance lease obligations	\$ 19.4
Plus: Operating lease liability	6.9
Plus: Sale leaseback liability	1.9
Adjusted Debt	\$ 28.3

(in billions)	Twelve Months Ended March 31, 2024
GAAP operating income	\$ 6.4
Adjusted for:	
Depreciation and amortization	2.4
Fixed portion of operating lease expense	1.0
EBITDAR	\$ 9.8

Adjusted Debt to EBITDAR 2.9x