

**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.

*Realized gain on sale of investments.* This adjustment relates to gains on the sale of investments generated in adjusted results that had previously been included in GAAP results. During the September 2024 quarter, we sold a portion of our investment in CLEAR. Adjusting for this gain allows investors to better understand and analyze our core operational performance in the periods shown.

*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.

*One time pilot agreement expense.* In the March 2023 quarter, Delta pilots ratified a new four-year Pilot Working Agreement effective January 1, 2023. The agreement included 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.

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

	Three Months Ended September 30, 2024			Three Months Ended September 30, 2024
	Pre-Tax Income	Income Tax	Net Income	Earnings Per Diluted Share
(in millions, except per share data)				
GAAP	\$ 1,561	\$ (289)	\$ 1,272	\$ 1.97
Adjusted for:				
MTM adjustments on investments	(350)			
MTM adjustments and settlements on hedges	(24)			
Realized gain on sale of investments	67			
Non-GAAP	\$ 1,254	\$ (282)	\$ 971	\$ 1.50

  

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

## 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 %

  

	Nine Months Ended September 30, 2024
Operating margin	9.3 %
Adjusted for:	
Third-party refinery sales	0.8
Operating margin, adjusted	10.1 %

**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 incentive compensation programs. 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)	Nine Months Ended September 30, 2024
Net cash provided by operating activities	\$ 6,131
Net cash used in investing activities	(2,570)
Adjusted for:	
Net redemptions of short-term investments	(1,130)
Net cash flows related to certain airport construction projects and other	314
Free cash flow	\$ 2,746

**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. Return on invested capital is tax-effected adjusted operating income (using our effective tax rate for each respective period) divided by average adjusted invested capital. Average stockholders' equity and average adjusted gross debt are calculated using amounts as of the end of the current period and comparable period in the prior year. All adjustments to calculate ROIC are intended to provide a more meaningful comparison of our results to comparable companies.

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

In the September 30, 2024 earnings release, we have modified the calculation methodology of ROIC to be more easily reproduced by investors as the components of the calculation are available through public sources and to be more consistent with similar metrics used by other companies. We have made the following changes to the calculation methodology for ROIC:

- Using operating income rather than pre-tax income
- Using stockholders' equity from the balance sheet rather than adjusted book equity, which adjusted for the impact of the pension plans on stockholders' equity
- In calculating adjusted gross debt, using the fleet operating lease liabilities from the balance sheet rather than apply 7x aircraft rent as proxy for fleet operating lease liabilities.

	Twelve Months Ended September 30, 2024	
(in millions)		
Operating income	\$	5,601
Adjusted for:		
MTM adjustments and settlements on hedges		11
Interest expense included in aircraft rent		170
Adjusted operating income	\$	5,782
Tax effect		(1,338)
Tax-effected adjusted operating income	\$	4,444
Average stockholders' equity	\$	11,436
Average adjusted gross debt		24,134
Average adjusted invested capital	\$	35,570
After-tax Return on Invested Capital		12.5 %

#### Operating Revenue, adjusted

	Three Months Ended	
(in millions)	September 30, 2024	December 31, 2023
Operating revenue	\$ 15,677	\$ 14,223
Adjusted for:		
Third-party refinery sales	(1,083)	(563)
Operating revenue, adjusted	\$ 14,594	\$ 13,661

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

	Three Months Ended September 30, 2024	
(in millions)		
Operating revenue	\$	15,677
Adjusted for:		
Third-party refinery sales		(1,083)
Operating revenue, adjusted	\$	14,594
Less: main cabin revenue		(6,309)
Operating revenue, adjusted related to premium products and diverse revenue streams	\$	8,285
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			3Q24 vs 3Q23 % Change
	September 30, 2024	December 31, 2023	September 30, 2023	
CASM (cents)	18.75	18.84	18.44	
Adjusted for:				
Aircraft fuel and related taxes	(3.61)	(4.30)	(4.01)	
Third-party refinery sales	(1.42)	(0.82)	(1.28)	
Profit sharing	(0.42)	(0.44)	(0.57)	
CASM-Ex	13.30	13.29	12.59	5.7 %

	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			3Q24 vs 3Q23 % Change
	September 30, 2024	December 31, 2023	September 30, 2023	
Average fuel price per gallon	\$ 2.51	\$ 3.01	\$ 2.76	
Adjusted for:				
MTM adjustments and settlements on hedges	0.02	(0.01)	0.02	
Average fuel price per gallon, adjusted	\$ 2.53	\$ 3.00	\$ 2.78	(9)%

**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.

(in millions)	Nine Months Ended September 30, 2024
Net cash provided by operating activities	\$ 6,131
Adjustments:	
Net cash flows related to certain airport construction projects and other	81
Operating cash flow, adjusted	\$ 6,212

**Gross Capital Expenditures.** We adjust capital expenditures for the following item to determine gross capital expenditures for the reason 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)	Nine Months Ended September 30, 2024
Flight equipment, including advance payments	\$ 2,944
Ground property and equipment, including technology	886
Adjusted for:	
Net cash flows related to certain airport construction projects	(234)
Gross capital expenditures	\$ 3,596

**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 total operating lease liabilities (including fleet, ground and other) and sale-leaseback financing 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)	September 30, 2024
Debt and finance lease obligations	\$ 17.7
Plus: operating lease liabilities	6.7
Plus: sale-leaseback financing liabilities	1.8
Adjusted debt	\$ 26.3

(in billions)	Twelve Months Ended September 30, 2024
GAAP operating income	\$ 5.6
Adjusted for:	
Depreciation and amortization	2.5
Fixed portion of operating lease expense	1.0
EBITDAR	\$ 9.1

Adjusted Debt to EBITDAR	2.9x
--------------------------	------