

17-Mar-2026

Delta Air Lines, Inc. (DAL)

J.P. Morgan Industrials Conference

CORPORATE PARTICIPANTS

Julie Stewart

Vice President-Investor Relations & Corporate Development, Delta Air Lines, Inc.

Edward Herman Bastian

Chief Executive Officer & Director, Delta Air Lines, Inc.

Joe Esposito

Executive Vice President & Chief Commercial Officer, Delta Air Lines, Inc.

Daniel C. Janki

Executive Vice President & Chief Financial Officer, Delta Air Lines, Inc.

Erik Snell

Executive Vice President & Chief Customer Experience Officer, Delta Air Lines, Inc.

OTHER PARTICIPANTS

Jamie Baker

Analyst, JPMorgan Securities LLC

Mark Streeter

Analyst, JPMorgan Securities LLC

MANAGEMENT DISCUSSION SECTION

Jamie Baker

Analyst, JPMorgan Securities LLC

Good morning, everybody. My name is Jamie Baker. I cover the US airline equities and aircraft leasing equities at JPMorgan. I'm joined by my dear friend and colleague, Mark Streeter, who does the same thing, except on the credit side. And it's our pleasure to welcome you to the JPMorgan Industrials Conference.

I've said this in the past, but I keep hoping some year to look out at an empty room. Because all is right with the airline world and airlines are generating record levels of cash and achieving high-teens pre-tax margins, doesn't look like this will be that year. So we'll keep plugging along.

My only ask of the audience is get engaged, ask good questions to management. Mark and I will obviously keep the Q&A on track if necessary, but we're holding this event for you, not for us. So please don't be shy.

Mark, anything before we introduce Delta?

Mark Streeter

Analyst, JPMorgan Securities LLC

Just a couple of things. Number one, happy St. Patrick's Day. Number two, thank you for making it down to Washington, D.C. for those of you that are here in person. We'll probably be here for another year or two before we move back to New York City. We'll see if we make that decision. But I think what you're going to hear a lot today, check the tape of course, look at the 8-Ks. You're going to hear a lot of these words that are durable,

resilient. That's really going to be the tone for today. We're very impressed with some of the guides this morning. So we look forward to kicking it off, hearing about Delta's resiliency and durability.

Jamie Baker

Analyst, JPMorgan Securities LLC

Yeah.

Mark Streeter

Analyst, JPMorgan Securities LLC

So.

Jamie Baker

Analyst, JPMorgan Securities LLC

And just to be clear, somebody grabbed me in the hall before and they said, why is Delta always first? Why don't you mix it up and let somebody else take the first slot? And just to be clear, Delta is not always first. We reserve the opening slot for the airline that generates the largest percentage of industry profits and/or pays profit sharing that is in excess of the sum total of the rest of the industry.

So to Scott Kirby, to Bob Jordan, to Robert Isom, this slot is yours for the taking. Ed does not seem to be quaking in his boots. I'm with you on that.

So before I turn it over to Ed Bastian, just going down the row, we also have Joe Esposito here today, a familiar face. Dan Janki, a somewhat less familiar face at this conference, but certainly not for those of us that know and understand the Delta franchise. We've got Erik Snell at the end, and then of course Julie Stewart.

And why don't I turn it over to Julie for the prepared remarks, and then we'll turn everything over to Ed. Thank you [ph] for that (00:02:30).

Julie Stewart

Vice President-Investor Relations & Corporate Development, Delta Air Lines, Inc.

Well, thank you, Jamie and Mark, and it's always a privilege to be here in the first spot. As a reminder, today's presentation contains forward-looking statements that represent our expectations about future events. All forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that may cause those differences are outlined in our SEC filings.

And now I'll turn it over to Ed.

Edward Herman Bastian

Chief Executive Officer & Director, Delta Air Lines, Inc.

Well, thank you, Julie, and thank you, Mark and Jamie for continuing to reserve this spot for us. I expect we'll be here for a while. I hope so, certainly, to be here and always appreciate that. My only request is that we change the timing from March, because March has always been, for us at least in our industry, an interesting month, and sure enough, and everything was going great in the first couple months of the year, then a war breaks out. So whether it's COVID started in March, the Ukraine war started in March. We got another war started in March. We've got tariffs starting in March and maybe next year.

Julie Stewart

Vice President-Investor Relations & Corporate Development, Delta Air Lines, Inc.

It's not our fault.

Edward Herman Bastian

Chief Executive Officer & Director, Delta Air Lines, Inc.

Okay. Well, we're just putting in our plug. That's all I can say. But it is really great to be here. It's good to see a full room, and thank you all for your interest in Delta. So Julie, you said all that? Wow. That's fast.

I'd like to start before we get into the quarter itself, just giving an update on how we see Delta positioned and why we believe that Delta continues to be a very compelling investment decision. And when you think about the times we've been through, differentiation and durability are important, as Mark said. And we've shown the ability to generate meaningful margins, meaningful cash flow through volatile times. It looks like we'll get another chance to demonstrate that again in 2026. We'll talk about how we're doing as we think about that.

But importantly, we also see meaningful opportunity to continue to grow our margins, to expand our cash returns, and to leverage that strong balance sheet that we've had to increasingly use flexibility, both investing on offense and continuing to be shareholder friendly with our returns.

For several years, we've talked about our themes, differentiated and durable, and for us at Delta, that starts with our people. Our people are the best in the industry. They are just about the only thing that can't be replicated in this industry. It is the quality of care and service that you receive every time you step foot on Delta property or a Delta airplane. It is the thing that we talk about as the Delta Difference, and that Delta Difference continued yet again to deliver a very strong 2025.

Double-digit margins, record \$4.5 billion in free cash flow, real free cash flow, not marked up free cash flow, and the opportunity to show the brand at its best when times are tough, and our team really, really did a great job.

The focus that we've had on the return of ROIC and free cash flow, we think is a differentiator. When we set out and look at the industry, I'll talk about that in a second, we've got a goal at Delta to generate 15% ROIC. Our number this past year was 12%, but as I said earlier, we have – see meaningful opportunity to continue to improve those returns.

And the free cash flow, not only did we generate \$4.5 billion of free cash flow in 2025, we generated over \$10 billion free cash flow over the last three years, which, as some will remember, that was a marker that we put down three years ago when we made our investment plans and thesis.

And we believe we're positioned to win in any environment. The current environment has some elements to it, not just the fact that we went through, are going through the impact of high fuel prices. Jet fuel, for those unaware, has almost doubled since the start of the year. So it's not just the crude price. The cracks are also significantly higher than they were.

And we had some pretty tough winter weather over the course of this past quarter. So in that vein, being able to, as many of you know, reaffirm our guidance range for the first quarter of \$0.50 to \$0.90 of EPS covering that loss of capacity, almost 2 points of capacity due to winter weather and a \$400 million fuel spike just in the month of March tells you that we're making good progress.

It's really tough to read the financial slide when it's on the other side of the room, but anyway, I'll do my best. The story for us in this quarter is about revenue demand and the health of the demand set. We are increasing our guidance for the current quarter on revenues. We're seeing several points of demand growth above and beyond the 5% to 7% that we forecasted at the beginning of the quarter. Sales for us have been very, very strong all quarter long, most particularly starting off in the March spring season, which is typically the season when travel bookings really start to accumulate.

We've had 8 of the 10 highest sales days in our history this quarter. Five of those just this month since the war started. And over the last week, our sales are up 25% on a year-over-year basis, so healthy demand. It's across all segments, covering corporate, covering international, covering premium leisure, covering main cabin, covering our domestic system. We're seeing strength in every market that we look at.

We do see a very modest decline in exit-Europe since the war started, but that's been – that's not a strong part of our business. Less than 20% of our point of sale on transatlantic is exit-Europe. And that's been a decline that we've seen for the last several years. So – and to be expected, when you've got a war in your backyard, people tend to stay home. But that – despite that, we're seeing significant growth on the bookings front.

On the fuel side, we have jet fuel up almost double digits, and we feel like we're well positioned to be able to recapture and do our best to recapturing that fuel spike. First off, the health of our brand, our premium brand, is important. Gives us a position of strength in which to price for the higher fuel. When you look at our industry, we've shown over the last number of years an ability to cover and recapture fuel increases generally on kind of a two- to three-month lagging basis by the time you get the price increase. We've seen pricing increase twice in the industry just in the last two weeks. So it shows you that the industry also understands the importance and that there's a sense of urgency about covering this higher fuel.

When you think about a fair bit of the industry, the carriers that don't have as strong a brand presence and a brand premium, and the fact that they have not returned their cost of capital in many years, and many of them haven't even made a profit in the post-COVID era, they have no choice but to alter business plans real time to be able to cover that fuel. All those moves, in my opinion, is just going to make the carriers that are the strong even stronger in terms of our ability to continue to grow and continue to expand.

We do have a refinery, as some of you know as well. So we are hedged. This will be the – as I mentioned at dinner last night, this will be the first time with a pretty sudden fuel shock that we as an industry will go through it with no one with fuel hedges, which will be, I think, also adding to the need for people to move with a sense of pace. But for Delta, the fact that we refine our own fuel up at Monroe gives us a meaningful hedge on the crack. It's not going to cover the crack entirely, but gives us a fairly significant hedge. Not necessarily, you're not going to see it in this quarter because it's a little too soon. But starting in the second quarter, I think you'll see the Monroe profits start to generate that.

Resilience remains our key focus. The winter was tough. We lost – as you just saw yesterday, I'm impressed everybody made it in. We've lost over the course of this quarter almost 2 points of capacity from plan due to the winter storms. And whether it's the cold snap and the snow that we saw in the Southeast in January or just the storms that continue to roll around here, and they tend to hit us hard on the weekends, it's been pretty tough. So the fact that we can grow our top line close to double digits and despite the fact we lost 2 points of capacity shows you that our RASM and our TRASM numbers are going to come in, in a very, very strong manner.

On the non-fuel side, talked about fuel a lot, non-fuel side, we still are facing some challenges with our overall ability to respond quicker to snapbacks. We are working on that issue, particularly with our pilots. We had some

changes that went into effect in our pilot contract over the last year that we're still adjusting and working together with not just our team, but with the union to make certain that we can respond in a fashion which our customers expect. The combination of that, the lost capacity, is probably going to add 2 to 3 points to the non-fuel CASM for the quarter.

So in total, revenue is strong, up several points. Fuel is high, higher, and the – our non-fuel costs are growing, all of which still puts us in the envelope in terms of still generating the type of profitability that we were expecting at the start of the quarter.

I've talked about free cash flow, and it's one of our differentiators. When you look at our main competitors, they did not generate any free cash according to how Delta calculates its free cash for the quarter. How we do is very simple. We take our operating cash flow and subtract gross CapEx, and we've always done that for years, and that's our definition of free cash flow.

There's a number of carriers that use sale-leasebacks and use the proceeds from those sale-leasebacks to reduce their CapEx and accelerate cash flow, not realizing the fact they're going to have to pay those proceeds back over time, and that's really another form of financing. We like to neutralize for that. So we take – taking that out and utilizing the Delta differentiation, there's no one in the industry that generate free cash flow but Delta in the past year.

And you can also see the return on capital that we generate, the 12% over the past 12 months compared to mid-single digits for the industry as a whole. Our cost of capital is in the 7% to 8% range, so continue to generate 5 points of healthy return over our cost base and looking to grow that as well.

This is a chart that we showed a couple of years ago at this conference, and I thought I'd update it. Again, when you're showing the durability and the differentiation that Delta continues to generate in a tough year, which was 2025. Generating 55% of the overall industry's profits, despite the fact that we only represent 20% of the market share, shows how customers feel about the product. The premium revenues that we are generating continues to grow from 10 years ago where we were; they've more than doubled.

Those premium offerings, really important in times of volatility that you have a product that you can price for, a product that's resilient through these tougher times, and that our consumer base, particularly when you see the Amex remuneration growing from \$2 billion to a fourfold increase in 2025 to \$8 billion, tells you also have the best-in-class consumers that are operating on your network and the contribution that's being generated. This is probably the easiest picture that you can see in terms of the change that we've had over the last decade that's generating the ability to manage through these tough times. And when times are good, and we've seen them too in this industry, continue to expand our lead.

And finally, a chart that I spend a lot of my time continuing to stay very focused on is our debt, getting our debt paid down. You see in 2025, we ended with 2.4 times. That's gross leverage, not net leverage. Net leverage is 0.5 point better than that on turns, \$1.9 billion. We ended 2025 with overall net leverage of \$14 billion, adjusted net debt. I think that's the first time. That's the lowest we've had since 2019. And continue to pay that down, and that continues to be our top financial priority.

That said, as we continue to come down that curve, we're expecting it to take another chunk out of that in 2026 and then continue on down. Gives us enhanced financial flexibility as we – whether it's to play offense on whether it's needing to invest back in the business, which we continue to stay very strong. We've had a very simple thesis for the last decade. Half of our operating cash flow goes back into the business in CapEx, and half goes to pay

down debt and return to shareholders. And that return to shareholders, which I know is on a number of our shareholders' minds, will increasingly provide us more flexibility and enhance the shareholder return capabilities over these next couple of years.

So that's the Delta story. I'm thrilled to have our team here with me just to spend a couple of minutes and before we go to Q&A. Joe Esposito is our Chief Commercial Officer. Pleased to have Joe in that role. Joe was side by side with Glen for the last 20 years. He's a 30-year Delta veteran. I've known Joe basically since day one that I joined the company almost 30 years ago myself.

He is probably – those of you who know Glen Hauenstein, you know how competitive he is. Joe is even more competitive than Glen. He knows where all the levers are in the business. He's the one that's built the network for the company. We were talking about moats last evening. He's the one that's created the moats in terms of building up the strength, whether it's in – on the coast, coastal hubs, whether it's in the Heartland, our international growth strategy.

He's been not just in the tactics, step-by-step understanding every single plane and every single flight and every single market that we have in great detail, but also strategically looking where we're going over the next decade. And great to have Joe in that role already. I told the team last night, 25% growth in sales in your first month officially on the job. That's pretty good, Joe. So keep it up.

Dan Janki, many of you know, is our CFO, is going to be moving to be our Chief Operating Officer. Thrilled to see him in that role. When I hired Dan five years ago, this is exactly the role I had in mind for Dan, and we actually talked about it five years ago, and he got a great chance over the last five years to really understand the business. At Delta, we have not had a single Chief Operating Officer in – really since post-COVID when Gil West retired. We've had the operations for different reasons and mostly due to personnel in a couple of different hands.

Dan will have the consolidated operations reporting to him. It'll create great alignment. It'll create greater speed, great efficiency. And he knows what he has to do coming out of the CFO chair in terms of continuing not just to generate a highly reliable product with excellent service, but a great financial return for our owners as well.

And finally, Erik Snell will be our new CFO starting next month. Erik is no stranger. He's been here for 20 years. Started in the finance organization and – but spent most of his time in the operations, and he's had more jobs than I can count on his very quick ascent through the organization. The most recent role is Head of Customer Experience. So all of the airport operations, flight attendants, reservations, customer service, all reported to Erik, so – and which is, by the way, more than half of the total employees in the company. So he's bringing great operational depth into the CFO chair.

And as I told folks last night, it's not like [ph] we're losing a CFO. We (00:19:26) still have our CFO and Head of Customer Experience. They're just changing hats here. And I'm thrilled with both their ascension and the opportunities that we have here.

So with that, I'm going to conclude, and we'll move to Q&A. We're getting through this another challenging time. Who knows what the duration of the events that we see unfolding in the Middle East are, but – however they unfold, the one thing I can guarantee you is Delta will be stronger as a result of that.

Back to you, Jamie and Mark.

QUESTION AND ANSWER SECTION

Jamie Baker

Analyst, JPMorgan Securities LLC

Q

Questions from the audience. Don't be shy. I challenged you. Ask questions. But in the meantime, we did joke last night that you're the moat builder, which for some reason strikes me as like a character from Game of Thrones or something like that.

Edward Herman Bastian

Chief Executive Officer & Director, Delta Air Lines, Inc.

A

Joe smiled when you said that.

Jamie Baker

Analyst, JPMorgan Securities LLC

Q

Yeah. As we think about the moats around the business over the next 10 years, is the goal to dig them deeper, for lack of a better term? Or do you see opportunities to, I don't know if you erect a moat, probably not, create new moats around the business? How should we be thinking about the moat topic since you brought it up?

Edward Herman Bastian

Chief Executive Officer & Director, Delta Air Lines, Inc.

A

Well, let me start and I'll turn it to Joe.

Jamie Baker

Analyst, JPMorgan Securities LLC

Q

Sure.

Edward Herman Bastian

Chief Executive Officer & Director, Delta Air Lines, Inc.

A

Joe can handle it from the network...

Jamie Baker

Analyst, JPMorgan Securities LLC

Q

Okay.

Edward Herman Bastian

Chief Executive Officer & Director, Delta Air Lines, Inc.

A

...perspective, which I think is part of the question. When we think of our moats, obviously our network strategy and our geographies are really important components to the moat. But the most important moat we have is our people and the quality of that relationship, the strength of that relationship. That's what I spend all of my time almost every day thinking about how we can better serve and how we can better support people – the people of Delta Air Lines. That's the most important moat. That's our number one competitive advantage.

And the resilience that creates, the operational excellence that creates, the loyalty that creates from our customers, that's what enables American Express to pay us quote this year, which will be \$9 billion. It all starts

with that level of service. You couple that with then what Joe has done over time, which is building some very strong geographies and very strong coverage, tells you that we're going to continue that strategy on both flanks. Joe?

Joe Esposito

Executive Vice President & Chief Commercial Officer, Delta Air Lines, Inc.

A

Yeah. Good morning, everybody. Yeah. No, I think the moats are not only deeper, but more. And when you think about – I spent most of my career doing it in network planning and where we fly. But in the broadened role you think about what we have moats and how we treat our customers, Amex relationship, SkyMiles program, the lounge program we build, really bringing that ecosystem together to make – now just not the network moats, but how does everything else support the network that we're doing?

And I think in the network side when you go into a stressed environment, that's where you want to be able to compete and look at where we are broadly and go, is everything in the right place as you go into a stressed and competitive environment. And that's really what I think we're always most proud of and what we're looking for because you're not – you're building it for the good times, but you're really building all these for durability for the long term. And I think that's really what you always have to keep our eye on is that development. And so it's deeper and it's – and what's the next moat we want to build around to be even more durable.

Jamie Baker

Analyst, JPMorgan Securities LLC

Q

And just a quick question on the guide MRO upside. I guess I don't understand the drivers of the MRO business as well as I should because I would have thought the business for the first quarter was largely locked in and contracted. But the upside implies that there's more variability in the MRO than what I would have expected. How do we – how should we better – how should I better understand the drivers of the MRO since apparently there's intra-quarter variability?

Daniel C. Janki

Executive Vice President & Chief Financial Officer, Delta Air Lines, Inc.

A

Well, as you know, we've talked about MRO for many years. Getting in a position where we could accelerate growth, we had to invest first in Delta and stand up its capabilities coming out of the pandemic. And as we talked about going through last year, we were excited about the momentum we were creating.

We won midyear the largest contract in the history of Delta with UPS, and we have the largest backlog. And we're going to continue to grow that backlog, and we're excited to have Marc, a new commercial leader for us, that's building out that capability. So then it really comes down to how can you execute on that backlog.

And first quarter was our lowest comp of the quarter for last year, but we were just seeing more engine throughput with more scope coming out of the shops. And it's really on this side, not about always how you induct, but it's how you output, get through tasks, and what your customers need. Remember, our customer base is broad-based. It's just not – it's really the OEMs, it's the military, all those types of operators. So we're just outputting more. And I think for the year, we had originally put out a marker that we thought it'd be about \$1 billion. We eclipsed that this year for the first time, which we're excited about. I think you're going to see us push between \$1 billion to \$1.2 billion. So what you're seeing in the first quarter will build into total year upside.

Jamie Baker

Analyst, JPMorgan Securities LLC

Q

Excellent. Thank you.

Mark Streeter

Analyst, JPMorgan Securities LLC

Q

Ed, maybe you can talk a little bit about how the events of the last couple weeks and however long they last obviously having an impact this year on the industry, but when you look forward, the impact that maybe it has on next year. For example, do you make more or less money next year because of what's going on right now? You obviously have a section of the industry that is infirmed, to say the least, and obviously they can't handle what's going on as well as you can. So what does that mean looking forward?

Edward Herman Bastian

Chief Executive Officer & Director, Delta Air Lines, Inc.

A

Well, I think that's the opportunity. It's always been the opportunity in this industry. It's not that something unusual or difficult happens, it's how you respond to it. That is the marker, and that's why Delta's in the lead. I think we've responded well to times of turbulence going back 20 years ago, coming through a restructuring and a bankruptcy to being the number one airline globally in terms of overall profits and cash returns and employee sentiment.

I do think again, duration is the big question on all our minds, and it's way too early for anyone to speculate. But I think this will certainly change business plans, particularly the lower and the more closer you are to having difficulty recovering and being impacted by that spike.

When you double your number one or number two cost item in your P&L almost overnight, that's a significant impact because there's those that don't have any margin to absorb that. The industry's already been pretty modest in terms of ability to grow and focused on returns. And those at the higher end, the premium end, it's going to, I think, shift – continue to shift people to being with a more resilient carrier, both whether it's for brand strength, whether it's our ability to price when it's appropriate for – to recover your cost.

I do think the – looking forward, assuming that oil prices do return back to a baseline, and the industry has gone through another period of dislocation and disruption that's made it tighter and smaller and more durable, will yield a better return in the longer term. Not what we wish for, but I think that's going to be. And by the way, you see that happening, or you've seen that happening over time.

Joe Esposito

Executive Vice President & Chief Commercial Officer, Delta Air Lines, Inc.

A

Okay.

Edward Herman Bastian

Chief Executive Officer & Director, Delta Air Lines, Inc.

A

You got – the people are voting for you guys up front.

Joe Esposito

Executive Vice President & Chief Commercial Officer, Delta Air Lines, Inc.

A

Sat up there.

Jamie Baker

Analyst, JPMorgan Securities LLC

Q

You're on a roll.

Joe Esposito

Executive Vice President & Chief Commercial Officer, Delta Air Lines, Inc.

A

Early morning.

Jamie Baker

Analyst, JPMorgan Securities LLC

Q

Joe, how would you contrast the fuel recovery between domestic and international markets? International markets, or not all of them, but many of them in your case benefiting from fuel surcharge mechanisms that are already in place. Domestically, the power is more in your hands to recapture higher fuel.

Joe Esposito

Executive Vice President & Chief Commercial Officer, Delta Air Lines, Inc.

A

Right.

Jamie Baker

Analyst, JPMorgan Securities LLC

Q

Are they moving up by similar magnitudes? Second to that, is there any evidence that consumers being cognizant of the reality of higher fuel are pulling their purchase decisions for – I mean, March is the month that you should be booking transatlantic travel anyway, so I don't know how you would parse that out.

Joe Esposito

Executive Vice President & Chief Commercial Officer, Delta Air Lines, Inc.

A

Right.

Jamie Baker

Analyst, JPMorgan Securities LLC

Q

But any changes in consumer behavior that you think is reflective of the fuel phenomenon?

Joe Esposito

Executive Vice President & Chief Commercial Officer, Delta Air Lines, Inc.

A

Sure. Thanks, Jamie. I see the industry has so far done a good job of moving at good speed on fuel, and I think it's imperative that we do, and it's something that we've got to cover, right, to maintain our margins. So I – we haven't had to do this in quite a while, but the speed in which you've seen in just the past two to three weeks has, I think, put a lot of credibility that the industry wants to make money. And – so the rates of domestic/international are different. International, we can do fuel surcharges, and those have gone in – historically in the past couple of weeks, we – you've seen fuel surcharges go in, and you've also seen the base fares of – for domestic go up.

So I think those are moving at really good paces right now, and there's an imperative for quite a bit of the industry to make money. And you said there a lot of it is on the edge of breakeven to losing money, so it's really imperative that those get passed through.

I think on the pull forward, I don't know if we see so much pull forward as we lost last year of bookings. If you think last March was – it's typically one of our best months of the year. And this and last March was probably the worst

months we could have had, spring break, booking for transatlantic, and we saw all of that stall right around this time last year.

So I think it's just people have lost that trip last year and – but we see incredibly strong demand right now. And it's not just – and you see it in the short term for the 0-7 [day booking window] when you think about business and the long term for both premium leisure and premium business. So we're seeing good strength all the way out to the summer, and this is the month that transatlantic will book for the summer. So this is really where we kind of started to miss that last summer and missed that window.

And like I said, 80% of our traffic to Europe is point of sale US, and that's been growing with really strong fares. So that's what we think about changing the Europe landscape, and last year we talked about July and August was weak.

Jamie Baker

Analyst, JPMorgan Securities LLC

Q

Yeah.

Joe Esposito

Executive Vice President & Chief Commercial Officer, Delta Air Lines, Inc.

A

We're not really set up for a lot of capacity this summer. We've been building it in a little bit of a different way for the business traveler as we've seen that seasonality come off the summer and really go more into the shoulders, which is great for efficiency for us and really what we want to see. So I think that's a kind of a continued evolution of the transatlantic bookings.

Jamie Baker

Analyst, JPMorgan Securities LLC

Q

Okay.

Joe Esposito

Executive Vice President & Chief Commercial Officer, Delta Air Lines, Inc.

A

The other thing, Jamie, is I know everyone is obsessed with what's going on in the Middle East, understandably so with fuel prices and what the effects will be. Our economy still is very strong. We were looking at estimates of GDP growing as much as 4%-5%, and the underlying health of the economy is still there. Particularly the high-end economy, that K that we talk about, and we're – we serve the top end of that K and probably the highest end of that K. That's a group that wants to continue to invest and is candidly a bit immune to what goes on with geopolitical events, different elements. I mean, we've seen so much happen over the course of the last decade.

People are not sitting home waiting and wondering what's going to happen, which is a very different phenomenon. So when you talk about how consumers are behaving, I think they're behaving rationally. And it's a new behavior that says they're going to use their buying power to continue to do what they prefer to do. And travel and experience continues to be at the top of their discretionary list.

Jamie Baker

Analyst, JPMorgan Securities LLC

Q

And on corporate, we had a breakfast with Southwest this morning, and one observation that they made was that if they didn't sell a single corporate ticket for the remainder of the month of March would still be a post-COVID

corporate record for them. I would assume with your highest sales days, eight, nine days out of the month, I mean, I just kind of thought that was an interesting soundbite. Would Delta say the same thing?

Edward Herman Bastian

Chief Executive Officer & Director, Delta Air Lines, Inc.

Yes.

A

Jamie Baker

Analyst, JPMorgan Securities LLC

Or maybe you don't think in those terms.

Q

Mark Streeter

Analyst, JPMorgan Securities LLC

Okay. Cool.

A

Edward Herman Bastian

Chief Executive Officer & Director, Delta Air Lines, Inc.

No, every sector we track, obviously two different animals, Delta and Southwest on the corporate business side, but we're the number one in corporate travel by a large margin in our industry, and we track about 15 different industries. Every single industry we track is up double digits over prior. Some of that was last year's comp, but more – many of these industries and things that you would – financial services, aerospace and defense, media, technology, are up 20-plus percent on a year-over-year basis. So that is very, very healthy growth.

A

Jamie Baker

Analyst, JPMorgan Securities LLC

Erik, I don't want to let you off the stage without putting you in the hot seat, shining the spotlight on you. When I think about the various CFOs Delta has had, I think your experience at the company is deeper than in the past. I kind of called you out for this being your first conference. But for those of us that have known Delta, I mean, you've been at the company, what, 20, 20-plus years. The variety of hats you have worn is impressive. How is that going to – what do you intend to draw upon from those experiences as you take the CFO helm?

Q

Erik Snell

Executive Vice President & Chief Customer Experience Officer, Delta Air Lines, Inc.

Well, thanks, Jamie, and good morning, everyone. Yeah, I've been fortunate that Ed has kept me moving around the company for 20 years, so have touched most departments in our operating team pre-pandemic and most recently all of the departments in our customer teams.

A

Jamie Baker

Analyst, JPMorgan Securities LLC

Okay.

Q

Erik Snell

Executive Vice President & Chief Customer Experience Officer, Delta Air Lines, Inc.

As you know, we run a very integrated system. It's very complex and integrated, and so I come with an understanding of what the levers are to really drive performance and efficiency. Also have good perspective on our customer base, what they're looking for, as well as our people. So I think that combination is – will continue to

A

be powerful. And Dan and I have been working together since he's been here on not only customer improvements, but efficiency along the way, and we'll continue that relationship in the new roles. He's built a world-class finance team. So I'm looking forward to getting back and being a part of that team as we work towards our long-term goals.

Jamie Baker

Analyst, JPMorgan Securities LLC

Cool. Thanks.

Q

Mark Streeter

Analyst, JPMorgan Securities LLC

Maybe just one more from me, Ed, and throw this out to the team. Ed, you mentioned sort of the top of the K, again, the resiliency of your premium customer base. When we look at premium cabin or premium product revenue to total revenue, that's been on an upward sloping trajectory, more and more premium revenue. Is there anything going on in the market right now with the events of the last couple of weeks that cause you to rethink that growth of premium going forward and what you were expecting for this year?

Q

Edward Herman Bastian

Chief Executive Officer & Director, Delta Air Lines, Inc.

I mean, when you have your sales up 25% on a year-over-year basis, I think we're doing the right thing. And no, there's nothing. I see no underlying crack or sensitivity that suggests there's going to be an issue. I think the issues that we've seen in our industry have tended to be at the lower end of the market. That's the impact. That's the area of the industry that's going to be impacted the most and have to take the most radical change to their business models due to the events of the last few weeks, but it certainly, I don't think, going to be impacting the folks at the top end at all. Higher fuel, yes, but opportunity to recapture, yes.

A

Jamie Baker

Analyst, JPMorgan Securities LLC

We'll hold the opening slot for you next year, Ed. Thank you so much.

Edward Herman Bastian

Chief Executive Officer & Director, Delta Air Lines, Inc.

I appreciate that. We'll be here.

Jamie Baker

Analyst, JPMorgan Securities LLC

Thanks, everybody.

Edward Herman Bastian

Chief Executive Officer & Director, Delta Air Lines, Inc.

Thank you, everybody.

Mark Streeter

Analyst, JPMorgan Securities LLC

Thank you.

***Editor's Note: Texts in brackets were added as a request by the company to provide further clarification to the speakers' statements.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2026 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.