

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.

Pre-Tax Income, Net Income, and Diluted Earnings per Share, adjusted. In the current period, pre-tax income, net income, and diluted earnings per share, adjusted exclude the following items directly related to the impact of COVID-19 and our response for comparability with the prior period:

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. In the September quarter 2021, we recognized \$33 million of adjustments to certain of those restructuring charges, representing changes in our estimates.

Government grant recognition. We recognized \$1.8 billion of the grant proceeds from the payroll support program extensions as contra-expense during the September quarter 2021. We recognized the grant proceeds as contra-expense based on the periods that the funds were intended to compensate and have fully used all proceeds from the payroll support program extensions as of the end of the September quarter 2021.

Impairments and equity method losses. These adjustments relate to recording our share of the losses recorded by our equity method investees.

Loss on extinguishment of debt. This adjustment relates to early termination of a portion of our debt.

We also regularly adjust pre-tax income, net income, and diluted earnings per share for the following items to determine pre-tax income, net income, and diluted earnings per share, adjusted for the reasons described below. We include the income tax effect of adjustments when presenting net income, adjusted.

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. 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. These gains/losses are driven by changes in stock prices, other valuation techniques for investments in companies without publicly-traded shares and foreign currency fluctuations. Adjusting for these gains/losses allows investors to better understand and analyze our core operational performance in the periods shown.

	Three Months Ended September 30, 2021			Three Months Ended September 30, 2021
	Pre-Tax Income	Income Tax	Net Income	Diluted Earnings Per Share
(in millions, except per share data)				
GAAP	\$ 1,532	\$ (320)	\$ 1,212	\$ 1.89
Adjusted for:				
Restructuring charges	33	(8)	25	
Government grant recognition	(1,822)	424	(1,398)	
Impairments and equity method losses	49	16	65	
Loss on extinguishment of debt	183	(43)	140	
MTM adjustments and settlements on hedges	19	(4)	15	
MTM adjustments on investments	223	(87)	136	
Non-GAAP	\$ 216	\$ (22)	\$ 194	\$ 0.30

Pre-Tax Margin, adjusted. In the current period, pre-tax margin, adjusted excludes the following items directly related to the impact of COVID-19 and our response: restructuring charges, government grant recognition, impairments and equity method losses, and loss on extinguishment of debt, as discussed above under the heading pre-tax income, net income, and diluted earnings per share, adjusted. We adjust pre-tax margin for MTM adjustments and settlements on hedges and MTM adjustments on investments for the same reasons described above under the heading pre-tax income, net income, and diluted earnings per share, adjusted. We adjust for third-party refinery sales for the reasons described below.

Third-party refinery sales. We adjust pre-tax margin for refinery sales to third parties to determine pre-tax margin, adjusted because this activity is not related to our airline segment. Pre-tax margin, adjusted therefore provides a more meaningful comparison of pre-tax margin from our airline operations to the rest of the airline industry.

	Three Months Ended September 30, 2021
Pre-tax margin	16.7 %
Adjusted for:	
Restructuring charges	0.4 %
Government grant recognition	(19.9)%
Impairments and equity method losses	0.5 %
Loss on extinguishment of debt	2.0 %
MTM adjustments and settlements on hedges	0.2 %
MTM adjustments on investments	2.4 %
Third-party refinery sales	0.2 %
Pre-tax margin, adjusted	2.6 %

Operating Revenue, adjusted and Total Revenue Per Available Seat Mile ("TRASM"), adjusted. We adjust operating revenue and TRASM for third party refinery sales for the reasons described above under the heading pre-tax margin, adjusted. We make an adjustment for the impact of Delta Private Jets for the reason described below.

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.

(in millions)	Three Months Ended			
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Operating revenue	\$ 9,154	\$ 7,126	\$ 4,150	\$ 3,973
Adjusted for:				
Third-party refinery sales	(872)	(777)	(540)	(441)
Operating revenue, adjusted	\$ 8,281	\$ 6,349	\$ 3,610	\$ 3,532

(in millions)	Three Months Ended			
	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Operating revenue	\$ 11,439	\$ 12,560	\$ 12,536	\$ 10,472
Adjusted for:				
Third-party refinery sales	(2)	(6)	(40)	(48)
Delta Private Jets adjustment	(53)	(47)	(49)	(43)
Operating revenue, adjusted	\$ 11,384	\$ 12,507	\$ 12,448	\$ 10,381

(in millions)	Two Months Ended	Month Ended
	December 31, 2019	October 31, 2019
Operating revenue	\$ 7,512	\$ 3,926
Adjusted for:		
Third-party refinery sales	(2)	—
Delta Private Jets adjustment	(37)	(16)
Operating revenue, adjusted	\$ 7,473	\$ 3,910

	Three Months Ended		3Q21 vs 2Q21 % Change
	September 30, 2021	June 30, 2021	
TRASM (cents)	16.93	14.68	
Adjusted for:			
Third-party refinery sales	(1.61)	(1.60)	
TRASM, adjusted	15.31	13.08	17 %

Other Revenue, adjusted. We adjust other revenue for third party refinery sales for the reasons described above under the heading pre-tax margin, adjusted. We make an adjustment for the impact of Delta Private Jets for the reasons described above under the heading operating revenue, adjusted and TRASM, adjusted.

(in millions)	Three Months Ended	
	September 30, 2021	September 30, 2019
Other revenue	\$ 1,701	\$ 961
Adjusted for:		
Third-party refinery sales	(872)	(6)
Delta Private Jets adjustment	—	(47)
Other revenue, adjusted	\$ 829	\$ 907

Operating Expense, adjusted. In the current period, operating expense, adjusted excludes the following items directly related to the impact of COVID-19 and our response: restructuring charges and government grant recognition, as discussed above under the heading pre-tax income, net income, and diluted earnings per share, adjusted. We also adjust operating expense for MTM adjustments and settlements on hedges and third-party refinery sales for the same reasons described above under the headings pre-tax income, net income, and diluted earnings per share, adjusted, and pre-tax margin, adjusted to determine operating expense, adjusted.

(in millions)	Three Months Ended	
	September 30, 2021	June 30, 2021
Operating expense	\$ 6,949	\$ 6,310
Adjusted for:		
Restructuring charges	(33)	(8)
Government grant recognition	1,822	1,504
MTM adjustments and settlements on hedges	(19)	(24)
Third-party refinery sales	(872)	(777)
Operating expense, adjusted	\$ 7,846	\$ 7,005

Fuel expense, adjusted and Average fuel price per gallon, adjusted. We adjust fuel expense for MTM adjustments and settlements on hedges for the same reasons described under the heading pre-tax income, net income, and diluted earnings per share, adjusted.

(in millions, except per gallon data)	Three Months Ended		Average Price Per Gallon	
	September 30, 2021	June 30, 2021	September 30, 2021	June 30, 2021
Total fuel expense	\$ 1,552	\$ 1,487	\$ 1.97	\$ 2.16
Adjusted for:				
MTM adjustments and settlements on hedges	(19)	(24)	(0.02)	(0.03)
Total fuel expense, adjusted	\$ 1,533	\$ 1,463	\$ 1.94	\$ 2.12

Non-Fuel Cost and Non-Fuel Unit Cost or Cost per Available Seat Mile, ("CASM-Ex"). In the current period, non-fuel cost and CASM-Ex excludes the following items directly related to the impact of COVID-19 and our response: restructuring charges and government grant recognition, as discussed above under the heading pre-tax income, net income, and diluted earnings per share, adjusted. We adjust for refinery sales to third parties for the same reason described above under the heading pre-tax margin, adjusted. We adjust for the impact of Delta Private Jets for the same reason described above under the heading pre-tax income, net income, and diluted earnings per share, adjusted. We also adjust operating expense and CASM for the following items to determine non-fuel cost and CASM-Ex for the 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 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			3Q21 vs 3Q19 % Change
	September 30, 2021	December 31, 2019	September 30, 2019	
CASM (cents)	12.85	15.34	13.85	
Adjusted for:				
Restructuring charges	(0.06)	—	—	
Government grant recognition	3.37	—	—	
Aircraft fuel and related taxes	(2.87)	(3.08)	(2.96)	
Third-party refinery sales	(1.61)	—	(0.01)	
Profit sharing	—	(0.59)	(0.68)	
Delta Private Jets adjustment	—	(0.07)	(0.05)	
CASM-Ex	11.67	11.59	10.15	15 %

(in millions)	Three Months Ended		3Q21 vs 2Q21 % Change
	September 30, 2021	June 30, 2021	
Operating Expense	6,949	6,310	
Adjusted for:			
Restructuring charges	(33)	(8)	
Government grant recognition	1,822	1,504	
Aircraft fuel and related taxes	(1,552)	(1,487)	
Third-party refinery sales	(872)	(777)	
Non-Fuel Cost	6,313	5,541	14 %

Adjusted Net Debt. Delta uses adjusted total debt, including aircraft rent, in addition to adjusted debt and finance leases, to present estimated financial obligations. Delta reduces adjusted total debt by cash, cash equivalents and short-term investments, and LGA restricted cash, resulting in adjusted net debt, to present the amount of assets needed to satisfy the debt. Management believes this metric is helpful to investors in assessing the company's overall debt profile.

(in millions)	September 30, 2021
Debt and finance lease obligations	\$ 27,819
Plus: sale-leaseback financing liabilities	2,247
Plus: unamortized discount/(premium) and debt issue cost, net and other	227
Adjusted debt and finance lease obligations	\$ 30,293
Plus: 7x last twelve months' aircraft rent	2,917
Adjusted total debt	\$ 33,210
Less: cash, cash equivalents and short-term investments	(13,201)
Less: LGA restricted cash	(713)
Adjusted net debt	\$ 19,296

Capital Expenditures, net. We present net capital expenditures because management believes investors should be informed that a portion of these capital expenditures from airport construction projects are either reimbursed by a third party or funded with restricted cash specific to these projects.

(in millions)	Three Months Ended	
	September 30, 2021	
Flight equipment, including advance payments	\$	434
Ground property and equipment, including technology		396
Adjusted for:		
Net cash flows related to certain airport construction projects		(211)
Capital expenditures, net	\$	619