

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, which are directly related to the impact of COVID-19 and our response. These adjustments are made to provide comparability between the reported periods, if applicable, as indicated below:

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 December quarter 2021 and full year 2021 we recognized \$16 million and \$19 million, respectively, of adjustments to certain of those restructuring charges, representing changes in our estimates.

Government grant recognition. We recognized \$4.5 billion of the grant proceeds from the payroll support program extensions as contra-expense during the full year 2021. We recognized the grant proceeds as contra-expense based on the periods that the funds were intended to compensate and fully used all proceeds from the payroll support program extensions as of the end of the September quarter 2021.

Impairments and equity method losses. This adjustment relates 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.

Pension settlement charges. These charges were recognized in connection with the voluntary early retirement and separation programs.

Special profit-sharing payment. This adjustment is exclusive to 2021. To recognize the extraordinary efforts of our employees through the pandemic, we will make a special profit-sharing payment to eligible employees in February 2022, based on the adjusted pre-tax profit earned during the second half of 2021. 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.

We also regularly adjust certain GAAP measures for the following items, if applicable, 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.

Equity investment MTM adjustments. We previously recorded our proportionate share of losses from our equity investments in Virgin Atlantic, Grupo Aeroméxico and LATAM in non-operating expense. (As a result of Grupo Aeroméxico's and LATAM's bankruptcy filings, we no longer have significant influence with Grupo Aeroméxico or LATAM and have discontinued accounting for these investments under the equity method in the June 2020 quarter.) We adjust for our equity method investees' hedge portfolio MTM adjustments to allow investors to understand and analyze our core operational performance in the periods shown.

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 companies without publicly-traded shares. Adjusting for these gains/losses 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.

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.

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.

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

(in millions)	Three Months Ended			4Q21 vs 4Q19 % Change
	December 31, 2021	December 31, 2019	March 31, 2019	
Operating revenue	\$ 9,470	\$ 11,439	\$ 10,472	
Adjusted for:				
Third-party refinery sales	(1,040)	(2)	(48)	
Delta Private Jets adjustment	—	(53)	(43)	
Operating revenue, adjusted	\$ 8,430	\$ 11,384	\$ 10,381	(26)%

(in millions)	Three Months Ended		Change
	September 30, 2021	September 30, 2019	
Operating revenue	\$ 9,154	\$ 12,560	
Adjusted for:			
Third-party refinery sales	(872)	(6)	
Delta Private Jets adjustment	—	(47)	
Operating revenue, adjusted	\$ 8,281	\$ 12,507	(34)%

(in millions)	Year Ended		Change
	December 31, 2021	December 31, 2020	
Operating revenue	\$ 29,899	\$ 17,095	
Adjusted for:			
Third-party refinery sales	(3,229)	(1,150)	
Operating revenue, adjusted	\$ 26,670	\$ 15,945	67%

	Three Months Ended		Change
	December 31, 2021	September 30, 2021	
TRASM (cents)	18.30	16.93	
Adjusted for:			
Third-party refinery sales	(2.01)	(1.61)	
TRASM, adjusted	16.29	15.31	6%

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

(in millions, except per share data)	Three Months Ended December 31, 2021			Three Months Ended December 31, 2021
	Pre-Tax (Loss)/Income	Income Tax	Net (Loss)/Income	(Loss)/Diluted Earnings Per Share
GAAP	\$ (395)	\$ (13)	\$ (408)	\$ (0.64)
Adjusted for:				
Restructuring charges	(16)			
Impairments and equity method losses	232			
Loss on extinguishment of debt	54			
Special profit sharing payment	108			
MTM adjustments and settlements on hedges	(11)			
MTM adjustments on investments	197			
Non-GAAP	\$ 170	\$ (27)	\$ 143	\$ 0.22

(in millions)	Six Months Ended December 31, 2021	
	Pre-Tax Income	
GAAP	\$	1,137
Adjusted for:		
Restructuring charges		17
Government grant recognition		(1,822)
Impairments and equity method losses		281
Loss on extinguishment of debt		237
Special profit sharing payment		108
MTM adjustments and settlements on hedges		8
MTM adjustments on investments		420
Non-GAAP	\$	386

(in millions)	Year Ended	
	December 31, 2021	December 31, 2020
	Pre-Tax (Loss)/Income	
GAAP	\$ 398	\$ (15,587)
Adjusted for:		
Restructuring charges	(19)	8,219
Government grant recognition	(4,512)	(3,946)
Impairments and equity method losses	337	2,172
Loss on extinguishment of debt	319	—
Pension settlement charges	—	36
Special profit sharing payment	108	—
MTM adjustments and settlements on hedges	9	10
Equity investment MTM adjustments	—	(19)
MTM adjustments on investments	(56)	119
Non-GAAP	\$ (3,415)	\$ (8,996)

Pre-Tax Margin, adjusted

	Three Months Ended
	December 31, 2021
Pre-tax margin	(4.2)%
Adjusted for:	
Restructuring charges	(0.2)
Impairments and equity method losses	2.5
Loss on extinguishment of debt	0.6
Special profit sharing payment	1.1
MTM adjustments and settlements on hedges	(0.1)
MTM adjustments on investments	2.1
Third-party refinery sales	0.2
Pre-tax margin, adjusted	2.0 %

Operating Expense, adjusted

	Three Months Ended	
(in millions)	December 31, 2021	September 30, 2021
Operating expense	\$ 9,207	\$ 6,949
Adjusted for:		
Restructuring charges	16	(33)
Government grant recognition	—	1,822
Special profit sharing payment	(108)	—
MTM adjustments and settlements on hedges	11	(19)
Third-party refinery sales	(1,040)	(872)
Operating expense, adjusted	\$ 8,086	\$ 7,846

Fuel expense, adjusted and Average fuel price per gallon, adjusted

	Three Months Ended		Average Price Per Gallon	
(in millions, except per gallon data)	December 31,	September 30,	Three Months Ended	Three Months Ended
	2021	2021	December 31,	September 30,
	2021	2021	2021	2021
Total fuel expense	\$ 1,577	\$ 1,552	\$ 2.09	\$ 1.97
Adjusted for:				
MTM adjustments and settlements on hedges	11	(19)	0.01	(0.02)
Total fuel expense, adjusted	\$ 1,588	\$ 1,533	\$ 2.10	\$ 1.94

Fuel expense percent change Q4 2021 compared to Q3 2021 4%

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

	Three Months Ended			4Q21 vs 4Q19 % Change
	December 31, 2021	December 31, 2019	March 31, 2019	
CASM (cents)	17.79	15.34	15.14	
Adjusted for:				
Restructuring charges	0.03	—	—	
Aircraft fuel and related taxes	(3.05)	(3.08)	(3.17)	
Third-party refinery sales	(2.01)	—	(0.08)	
Special recognition payment	(0.21)	—	—	
Profit sharing	—	(0.59)	(0.35)	
Delta Private Jets adjustment	—	(0.07)	(0.05)	
CASM-Ex	12.56	11.59	11.49	8 %

	Year Ended	Six Months Ended	
	December 31, 2019	December 31, 2019	June 30, 2019
CASM (cents)	14.67	14.54	14.80
Adjusted for:			
Aircraft fuel and related taxes	(3.10)	(3.01)	(3.18)
Third-party refinery sales	(0.04)	(0.01)	(0.07)
Profit sharing	(0.60)	(0.64)	(0.55)
Delta Private Jets adjustment	(0.06)	(0.06)	(0.06)
CASM-Ex	10.88	10.82	10.95

Operating Cash Flow, adjusted. We present operating cash flow, adjusted because management believes adjusting for the following item 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 are core to our operations in the periods shown.

(in millions)	Three Months Ended	
	December 31, 2021	
Net cash provided by operating activities	\$	555
Adjusted for:		
Net cash flows related to certain airport construction projects and other		(38)
Net cash provided by operating activities, adjusted	\$	518

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 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)	Three Months Ended	
	December 31, 2021	
Flight equipment, including advance payments	\$	635
Ground property and equipment, including technology		582
Adjusted for:		
Net cash flows related to certain airport construction projects		(269)
Gross capital expenditures	\$	948

(in millions)	Year Ended	
	December 31, 2021	
Flight equipment, including advance payments	\$	1,596
Ground property and equipment, including technology		1,651
Adjusted for:		
Financed aircraft acquisitions		594
Net cash flows related to certain airport construction projects		(965)
Gross capital expenditures	\$	2,876

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)	December 31, 2021	
Debt and finance lease obligations	\$	26,920
Plus: sale-leaseback financing liabilities		2,234
Plus: unamortized discount/(premium) and debt issue cost, net and other		208
Adjusted debt and finance lease obligations	\$	29,362
Plus: 7x last twelve months' aircraft rent		3,011
Adjusted total debt	\$	32,374
Less: cash, cash equivalents and short-term investments		(11,320)
Less: LGA restricted cash		(473)
Adjusted net debt	\$	20,581