

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 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 June quarter 2022, we recognized \$1 million of net adjustments to certain of those restructuring charges, representing changes in our estimates.

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

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.

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.

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.

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.

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

(in millions, except per share data)	Three Months Ended			Three Months Ended
	June 30, 2022			June 30, 2022
	Pre-Tax Income	Income Tax	Net Income	Earnings Per Diluted Share
GAAP	\$ 1,033	\$ (298)	\$ 735	\$ 1.15
Adjusted for:				
Restructuring charges	(1)			
Loss on extinguishment of debt	41			
MTM adjustments and settlements on hedges	(73)			
MTM adjustments on investments	221			
Non-GAAP	\$ 1,222	\$ (300)	\$ 921	\$ 1.44

Operating Income, adjusted

(in millions)	Three Months Ended
	June 30, 2022
Operating Income	\$ 1,519
Adjusted for:	
Restructuring charges	(1)
MTM adjustments and settlements on hedges	(73)
Operating Income, adjusted	\$ 1,445

Operating Margin, adjusted

	Three Months Ended
	June 30, 2022
Operating margin	11.0 %
Adjusted for:	
MTM adjustments and settlements on hedges	(0.5)
Third-party refinery sales	1.3
Operating margin, adjusted	11.7 %

	Months Ended	
	June 30, 2022	June 30, 2019
Operating margin	14.8 %	19.2 %
Adjusted for:		
MTM adjustments and settlements on hedges	(2.4)	0.7
Third-party refinery sales ⁽¹⁾	4.1	0.2
Operating margin, adjusted	16.5 %	20.1 %

⁽¹⁾ Third-party refinery sales in the month of June reconciliations above represent the total quarterly amount, as this is only recorded in final month of each quarter.

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

(in millions)	Three Months Ended			2Q22 vs 2Q19 % Change
	June 30, 2022	September 30, 2019	June 30, 2019	
Operating revenue	\$ 13,824	\$ 12,560	\$ 12,536	
Adjusted for:				
Third-party refinery sales	(1,514)	(6)	(40)	
Delta Private Jets adjustment	—	(47)	(49)	
Operating revenue, adjusted	\$ 12,311	\$ 12,507	\$ 12,448	(1)%

(in millions)	Months Ended				Jun 22 vs Jun 19 % Change
	June 30, 2022	March 31, 2022	June 30, 2019	March 31, 2019	
Operating revenue	\$ 6,149	\$ 4,723	\$ 4,525	\$ 4,243	
Adjusted for:					
Third-party refinery sales ⁽¹⁾	(1,514)	(1,187)	(40)	(49)	
Delta Private Jets adjustment	—	—	(16)	(20)	
Operating revenue, adjusted	\$ 4,635	\$ 3,536	\$ 4,469	\$ 4,175	4 %

⁽¹⁾ Third-party refinery sales in the month of March and June reconciliations above represent the total quarterly amount, as this is only recorded in the final month of each quarter.

	Three Months Ended		2Q22 vs 2Q19 % Change
	June 30, 2022	June 30, 2019	
TRASM (cents)	23.47	17.47	
Adjusted for:			
Third-party refinery sales	(2.57)	(0.06)	
Delta Private Jets adjustment	—	(0.07)	
TRASM, adjusted	20.90	17.35	20.5 %

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 2022 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, (ii) strategic investments and related, (iii) net cash flows related to certain airport construction projects and other and (iv) financed aircraft acquisitions. 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.

Strategic investments and related. Cash flows related to our investments in and related transactions with other airlines are included in our GAAP investing activities. We adjust for this activity because it provides a more meaningful comparison to our airline industry peers.

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.

Financed aircraft acquisitions. This adjustment reflects aircraft deliveries that are leased as capital expenditures. The adjustment is based on their original contractual purchase price or an estimate of the aircraft's fair value and provides a more meaningful view of our investing activities.

	Three Months Ended	
(in millions)	June 30, 2022	
Net cash provided by operating activities	\$	2,535
Net cash used in investing activities		(152)
Adjusted for:		
Net redemptions of short-term investments		(695)
Strategic investments and related		(105)
Net cash flows related to certain airport construction projects and other		94
Financed aircraft acquisitions		(69)
Free cash flow	\$	1,608

	Six Months Ended	
(in millions)	June 30, 2022	
Net cash provided by operating activities	\$	4,306
Net cash used in investing activities		(901)
Adjusted for:		
Net redemptions of short-term investments		(1,815)
Strategic investments and related		2
Net cash flows related to certain airport construction projects and other		282
Financed aircraft acquisitions		(69)
Free cash flow	\$	1,805

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

	Three Months Ended			2Q22 vs 2Q19 % Change
	June 30, 2022	September 30, 2019	June 30, 2019	
CASM (cents)	20.89	13.85	14.51	
Adjusted for:				
Aircraft fuel and related taxes	(5.47)	(2.96)	(3.19)	
Third-party refinery sales	(2.57)	(0.01)	(0.06)	
Profit sharing	(0.09)	(0.68)	(0.72)	
Delta Private Jets adjustment	—	(0.05)	(0.06)	
CASM-Ex	12.76	10.15	10.47	21.8 %

	Year Ended
	December 31, 2019
CASM (cents)	14.67
Adjusted for:	
Aircraft fuel and related taxes	(3.10)
Third-party refinery sales	(0.04)
Profit sharing	(0.60)
Delta Private Jets adjustment	(0.06)
CASM-Ex	10.88

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 an estimate of the aircraft's 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
	June 30, 2022
Flight equipment, including advance payments	\$ 603
Ground property and equipment, including technology	355
Adjusted for:	
Financed aircraft acquisitions	69
Net cash flows related to certain airport construction projects	(163)
Gross capital expenditures	\$ 864

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)	June 30, 2022	
Debt and finance lease obligations	\$	24,839
Plus: sale-leaseback financing liabilities		2,208
Plus: unamortized discount/(premium) and debt issue cost, net and other		176
Adjusted debt and finance lease obligations	\$	27,222
Plus: 7x last twelve months' aircraft rent		3,303
Adjusted total debt	\$	30,525
Less: cash, cash equivalents and short-term investments		(10,771)
Less: LGA restricted cash		(177)
Adjusted net debt	\$	19,578

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

(in millions, except per gallon data)	<u>Three Months Ended</u>		<u>Average Price Per Gallon</u>		<u>2Q22 vs 1Q22</u> <u>% Change</u>
	<u>June 30,</u> <u>2022</u>	<u>March 31,</u> <u>2022</u>	<u>Three Months Ended</u>		
	<u>June 30,</u> <u>2022</u>	<u>March 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>		
Total fuel expense	\$ 3,223	\$ 2,092	\$ 3.74		
Adjusted for:					
MTM adjustments and settlements on hedges	73	4	0.08		
Total fuel expense, adjusted	\$ 3,296	\$ 2,097	\$ 3.82	57 %	