

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 September 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 September 30, 2022			Three Months Ended September 30, 2022
	Pre-Tax Income	Income Tax	Net Income	Earnings Per Diluted Share
GAAP	\$ 962	\$ (267)	\$ 695	\$ 1.08
Adjusted for:				
Restructuring charges	1			
Loss on extinguishment of debt	34			
MTM adjustments and settlements on hedges	36			
MTM adjustments on investments	245			
Non-GAAP	\$ 1,276	\$ (311)	\$ 966	\$ 1.51

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

(in millions)	Three Months Ended			3Q22 vs 3Q19 % Change
	September 30, 2022	December 31, 2019	September 30, 2019	
Operating revenue	\$ 13,975	\$ 11,439	\$ 12,560	
Adjusted for:				
Third-party refinery sales	(1,134)	(2)	(6)	
Delta Private Jets adjustment	—	(53)	(47)	
Operating revenue, adjusted	\$ 12,840	\$ 11,384	\$ 12,507	3 %

	Three Months Ended				3Q22 vs 3Q19 % Change	2Q22 vs 2Q19 % Change
	September 30, 2022	June 30, 2022	September 30, 2019	June 30, 2019		
TRASM (cents)	22.18	23.47	16.58	17.47		
Adjusted for:						
Third-party refinery sales	(1.80)	(2.57)	(0.01)	(0.06)		
Delta Private Jets adjustment	—	—	(0.06)	(0.07)		
TRASM, adjusted	20.38	20.90	16.51	17.35	23 %	20 %

Operating Income, adjusted

(in millions)	Three Months Ended September 30, 2022	
	Operating Income	\$ 1,456
Adjusted for:		
Restructuring charges	1	
MTM adjustments and settlements on hedges	36	
Operating Income, adjusted	\$ 1,492	

Operating Margin, adjusted

	Three Months Ended September 30, 2022
Operating margin	10.4 %
Adjusted for:	
MTM adjustments and settlements on hedges	0.3
Third-party refinery sales	0.9
Operating margin, adjusted	11.6 %

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

(in millions)	Three Months Ended September 30, 2022
Operating revenue	\$ 13,975
Adjusted for:	
Third-party refinery sales	(1,134)
Operating revenue, adjusted	\$ 12,840
Less: main cabin revenue	(5,892)
Operating revenue, adjusted related to premium products and diverse revenue streams	\$ 6,948
Percent of operating revenue, adjusted related to premium products and diverse revenue streams	54 %

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

	Three Months Ended			3Q22 vs 3Q19 % Change
	September 30, 2022	December 31, 2019	September 30, 2019	
CASM (cents)	19.87	15.34	13.85	
Adjusted for:				
Aircraft fuel and related taxes	(5.26)	(3.08)	(2.96)	
Third-party refinery sales	(1.80)	—	(0.01)	
Profit sharing	(0.38)	(0.59)	(0.68)	
Delta Private Jets adjustment	—	(0.07)	(0.05)	
CASM-Ex	12.43	11.59	10.15	22.5 %

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 September 30, 2022
Flight equipment, including advance payments	\$ 973
Ground property and equipment, including technology	469
Adjusted for:	
Financed aircraft acquisitions	137
Net cash flows related to certain airport construction projects	<u>(112)</u>
Gross capital expenditures	\$ 1,467

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, 2022
Debt and finance lease obligations	\$ 23,233
Plus: sale-leaseback financing liabilities	2,194
Plus: unamortized discount/(premium) and debt issue cost, net and other	151
Adjusted debt and finance lease obligations	\$ 25,578
Plus: 7x last twelve months' aircraft rent	3,485
Adjusted total debt	\$ 29,062
Less: cash, cash equivalents and short-term investments	(8,368)
Less: LGA restricted cash	(153)
Adjusted net debt	\$ 20,541