Delta Air Lines

Baird 2020 Global Industrial Conference

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Forward-looking Statement Disclaimer

Statements in this presentation that are not historical facts, including statements regarding our estimates, expectations, beliefs, intentions, projections or strategies for the future, may be "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the estimates, expectations, beliefs, intentions, projections and strategies reflected in or suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the material adverse effect that the COVID-19 pandemic is having on our business; the impact of incurring significant debt in response to the pandemic; the possible effects of accidents involving our aircraft; breaches or security lapses in our information technology systems; disruptions in our information technology infrastructure; our dependence on technology in our operations; the performance of our significant investments in and commercial relationships with, airlines in other parts of the world; failure to comply with the financial and other covenants in our financing agreements; labor issues; the effects of weather, natural disasters and seasonality on our business; the effects of an extended disruption in services provided by third parties; the cost of aircraft fuel; the availability of aircraft fuel; failure or inability of insurance to cover a significant liability at Monroe's Trainer refinery; the impact of environmental regulation on the Trainer refinery, including costs related to renewable fuel standard regulations; our ability to retain senior management and key employees; damage to our reputation and brand if we are exposed to significant adverse publicity; the effects of terrorist attacks or geopolitical conflict; competitive conditions in the airline industry; interruptions or disruptions in service at major airports at which we operate; the effects of extensive government regulation on our business; the impact of environmental regulation on our business; the sensitivity of the airline industry to prolonged periods of stagnant or weak economic conditions; and uncertainty in economic conditions and regulatory environment in the United Kingdom related to the exit of the United Kingdom from the European Union.

Additional information concerning risks and uncertainties that could cause differences between actual results and forward-looking statements is contained in our Securities and Exchange Commission filings, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2020. Caution should be taken not to place undue reliance on our forward-looking statements, which represent our views only as of November 10, 2020 except as otherwise indicated, and which we have no current intention to update except to the extent required by law.

Current Environment

- Steady but stable recovery in demand
  - Anticipated revenue down 65 to 70% in the December quarter
  - Capacity projected down 40 to 45% in the December quarter versus prior year, with sellable capacity down approximately 60% when factoring in seat blocks
- Cash burn expected to improve to $10 to $12 million per day in the December quarter with expected December month cash burn of $10 million per day
  - Net sales continue to trend higher in comparison to September quarter, with a slight extension of the booking curve as customers book holiday travel
  - Anticipated December quarter operating expenses, adjusted down approximately 50% versus prior year
  - Targeting cash breakeven during Spring 2021
- Liquidity projected to be approximately $16 billion at the end of the December quarter
  - Unencumbered assets of $9 to $10 billion
  - Repaid $3 billion term-loan and $2.6 billion under revolvers in early October; borrowing capacity remains available to Delta under these revolvers
  - Adjusted net debt of $17 billion as of September quarter end, up $6.5 billion since year-end 2019

Note: All forward looking information is presented as of October 13, 2020 and has not been updated.

Crisis Response Focused on Three Priorities

Secure Our Liquidity Position

– Strong access to the capital markets allowed Delta to significantly reduce liquidity risk and focus the company's efforts on rebuilding and running the airline

Focus On The Customer

– Dedicated to protecting the health and safety of our customers

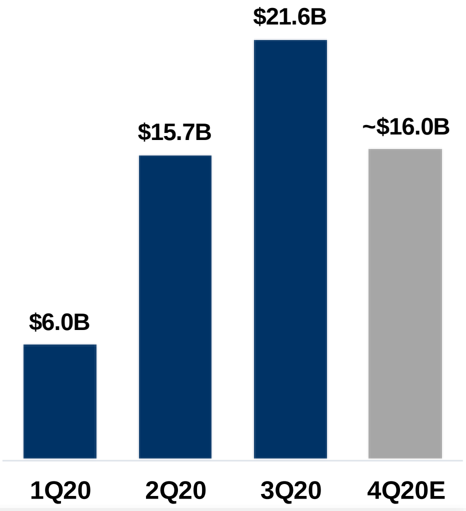
– Improving the customer experience in order to enhance customer loyalty and allow Delta to retain and grow its eHVC and HVC share as the company navigates the pandemic

Rebuild The Airline's Foundation For Recovery

– Streamlining the airline to remove inefficiencies across the organization and make Delta an even more resilient airline going forward

Secure Our Liquidity Position

Quarter End Liquidity



	1Q20	2Q20	3Q20	4Q20E
Financings[1]	$6.9	$9.5	$9.0	-
PSP Funds	-	4.9	0.7	-
Common Stock	-	-	-	-
Total ($B)	**$6.9**	**$14.4**	**$9.7**	**-**

– Raised more than $25 billion in financings in 2020

– Adjusted net debt as of September quarter up $6.5 billion compared to year-end 2019

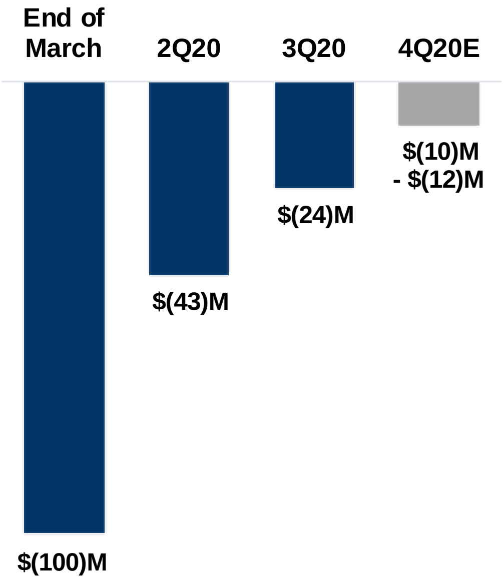
– Reduced operating expenses, adjusted by more than 50% in the June and September quarters compared to comparable quarters in 2019

– Anticipate operating expense, adjusted down roughly 50% year over year in December quarter

– Cost controls allowed net sales improvement to flow directly to improved cash burn; $100 million daily cash burn the last two weeks of March reduced to $18 million a day in September

– Total debt with weighted average interest rate of 4.3% at September quarter end

Average Daily Cash Burn



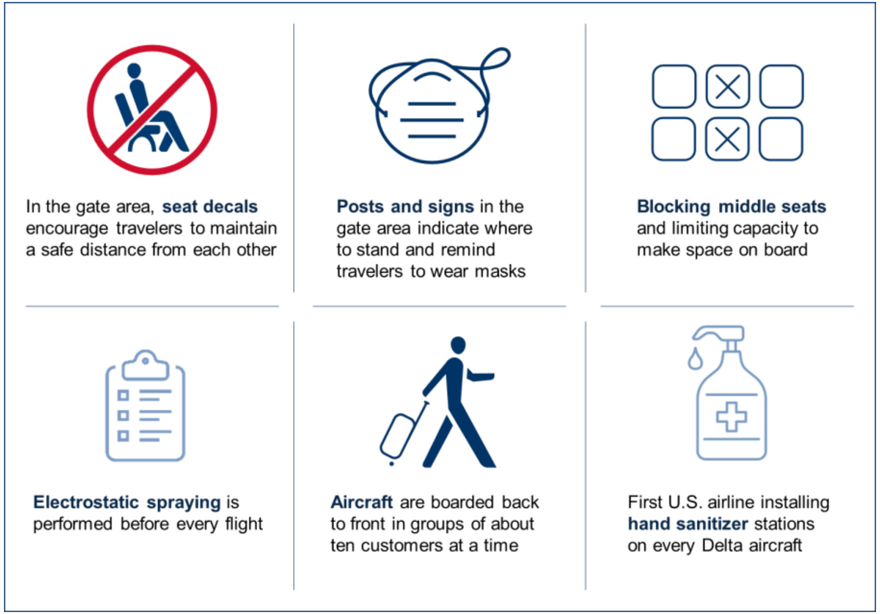
[1] Excludes $1.5 billion in LGA Series 2020 bonds

Note: Additional information regarding non-GAAP financial measures, including reconciliations where available without unreasonable efforts, are presented in the appendix

Focus on the Customer

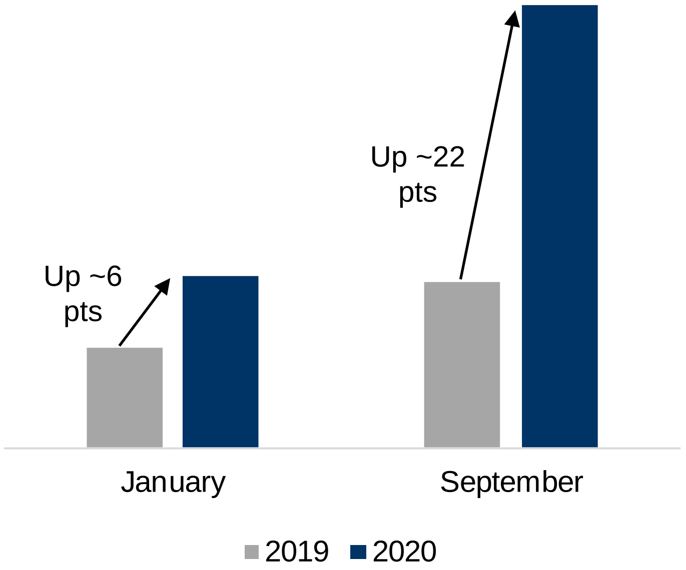
Health and Safety Measures

- Industry-leading health and safety measures align with best practices studied by Harvard and the Department of Defense
- Partnered with Mayo Clinic, Lysol and Emory Health



Net Promoter Score

- Domestic NPS achieved record levels, up 22 points versus prior year as we focus on the consumer



Rebuild the Airline's Foundation for Recovery

Restoring the Network

- Restoring the domestic network to align with customer demand, utilizing our core hubs
- Coastal hub capacity to increase as restrictions ease and demand returns
- Majority of international capacity is deployed to partner hubs to leverage relationships

Fleet Simplification

- Undergoing a fleet restructuring to accelerate our long-term vision of simplification, gauge growth and next gen technology
- Reducing fleet families from 13 at the end of 2019 to 9 by the end of 2025
- By the end of 2020, our fleet will be reduced by approximately 200 aircraft and by nearly 400 by 2025

2019	2020	2023	2025
13 Fleet Families	11 Fleet Families	10 Fleet Families	9 Fleet Families

Retirements by Year

	Boeing 777	CRJ-200	Boeing 767-300
	MD-88/90		Boeing 717
	Boeing 737-700		

Long-Term Opportunity Intact Despite Near-Term Challenges

Powerful Brand With Industry-Leading Returns

Unmatched Competitive Advantages

Strong Partner Portfolio and Global Scale

Proven Track Record of Execution & Reinvestment

Commitment to Carbon Neutrality and Environmental Sustainability

Q&A

Non-GAAP Reconciliations

Non-GAAP Financial Measures

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 its 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 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.

Non-GAAP Reconciliations

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, 2020	December 31, 2019
Debt and finance lease obligations	$ 34,870	$ 11,160
Plus: sale-leaseback financing liabilities	2,295	-
Plus: unamortized discount/(premium) and debt issue cost, net and other	252	(115)
Adjusted debt and finance lease obligations	$ 37,417	$ 11,044
Plus: 7x last twelve months' aircraft rent	2,800	2,963
Adjusted total debt	$ 40,217	$ 14,007
Less: cash, cash equivalents and short-term investments	(21,525)	(2,882)
Less: LGA restricted cash	(1,680)	(636)
Adjusted net debt	$ 17,012	$ 10,489

Non-GAAP Reconciliations

Operating Expense, Adjusted

In the current year periods, operating expense, adjusted excludes the following items directly related to the impact of COVID-19 and our response:

Restructuring charges. We recognized $5.3 billion and $2.5 billion of restructuring charges following strategic business decisions in response to the COVID-19 pandemic in the September 2020 and June 2020 quarters, respectively. These charges in the September quarter primarily include voluntary early retirement and separation program charges and impairments and related charges from the decisions to retire the remaining 767-300ER fleet and the 717 and CRJ-200 fleets. These charges in the June quarter primarily related to impairments from the decisions to retire the 777, MD-90 and 737-700 fleets and certain of our 767-300ER and A320 aircraft.

CARES Act grant recognition. We recognized $1.3 billion of the grant proceeds from the CARES Act payroll support program as a contra-expense in each of the September and June 2020 quarters. We are recognizing the grant proceeds as contra-expense based on the periods that the funds are intended to compensate and we expect to use all proceeds from the payroll support program by the end of 2020.

We also adjust operating expense for MTM adjustments and settlements on hedges, third-party refinery sales and Delta Private Jets adjustment for the reasons described 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. Settlements represent cash received or paid on hedge contracts settled during the applicable period.

Third-party refinery sales. We adjust operating expense for refinery sales to third parties to determine operating expense, adjusted because these expenses are not related to our airline segment. Operating expense, adjusted therefore provides a more meaningful comparison of expenses from 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.

	Three Months Ended			
(in millions)	**September 30, 2020**	**September 30, 2019**	**June 30, 2020**	**June 30, 2019**
Operating expense	$ 9,448	$ 10,489	$ 6,283	$ 10,408
Less: Restructuring charges	(5,345)	-	(2,454)	-
Less: CARES Act grant recognition	1,315	-	1,280	-
Adjusted for:				
MTM adjustments and settlements on hedges	3	25	(14)	(10)
Third-party refinery sales	(417)	(6)	(292)	(40)
Delta Private Jets adjustment	-	(49)	-	(50)
Operating expense, adjusted	$ 5,004	$ 10,460	$ 4,803	$ 10,308

Non-GAAP Reconciliations

Cash Burn

We present cash burn because management believes this metric is helpful to investors to evaluate the company's ability to maintain liquidity and return to cash generation. The company defines cash burn as net cash from operating activities and net cash used in investing activities, adjusted for (i) net purchases of short-term investments, (ii) strategic investments, (iii) net cash flows related to certain airport construction projects, (iv) proceeds from financing arrangements that are reported within investing activities, (v) CARES Act grant proceeds, and (vi) other charges that are not representative of our core operations, such as charges associated with our voluntary separation and early retirement programs. Adjustments include:

Net purchases of short-term investments. Net purchases 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. 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 operational performance in the periods shown.

Payments/(proceeds) from financing arrangements that are reported within investing activities. Cash flows from payments/(proceeds) from financing arrangements that are reported within investing activities (such as certain sale-leaseback transactions) are removed from free cash flow in calculating daily cash burn to better illustrate the cash generated from our core operations.

CARES Act grant proceeds. Cash flows related to the CARES act payroll support program grant proceeds, reported within operating activities in GAAP results. We adjust free cash flow for this item in calculating daily cash burn to better illustrate the cash from our core operations.

Voluntary programs. Cash flows from the voluntary separation and early retirement programs offered to employees during the September quarter, reported within operating activities in GAAP results. We adjust free cash flow for this item in calculating daily cash burn to better illustrate the cash from our core operations.

(in millions)	Three Months Ended September 30, 2020	Month Ended September 30, 2020	Three Months Ended June 30, 2020
Net cash used in operating activities	$ (2,575)	$ (720)	$ (290)
Net cash used in investing activities	(1,144)	(1,033)	(4,076)
Adjustments:			
Net purchases of short-term investments	745	1,007	4,302
Strategic investments	235	(15)	-
Net cash flows related to certain airport construction projects and other	208	8	43
Total free cash flow	$ (2,531)	$ (753)	$ (21)
Payments/(proceeds) from financing arrangements reported within investing activities	37	37	(465)
CARES Act grant proceeds	(491)	(110)	(3,455)
Voluntary programs	813	273	-
Adjusted free cash flow	$ (2,173)	$ (553)	$ (3,941)
Days in period	92	30	91
Average daily cash burn	$ (24)	$ (18)	$ (43)