

Delta Air Lines

J.P. Morgan Industrials Conference

March 10, 2020



Safe Harbor

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 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 airlines in other parts of the world; the restrictions that financial covenants in our financing agreements could have on our financial and business operations; 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; uncertainty in economic conditions and regulatory environment in the United Kingdom related to the exit of the United Kingdom from the European Union; and the effects of the rapid spread of contagious illnesses.

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. Caution should be taken not to place undue reliance on our forward-looking statements, which represent our views only as of March 10, 2020, and which we have no current intention to update.

Current Environment

- Taking every precaution to protect the health and safety of our customers and employees
 - Extended broad-based travel waiver through April 30
- COVID-19 is materially impacting revenue as bookings decline and ticket cancellations accelerate
- Decisive actions underway to protect Delta's financial foundation
 - **Capacity** – Reducing planned capacity by at least 15% and prepared to do more
 - **Expenses** – Capacity-related and incremental cost reductions of \$1.8 billion in 2020, and approximately \$2 billion of fuel price benefit at current prices
 - **Balance Sheet and Cash Flow** – Incremental cash flow and liquidity initiatives of over \$3 billion
- Delta maintains a strong financial position with investment-grade balance sheet and ample liquidity
 - Prioritizing free cash flow, investment-grade balance sheet and a minimum of \$5 billion in liquidity for full year 2020
- Withdrawing March quarter and full-year financial guidance
 - Currently expect March quarter unit revenue to be down mid- to high-single digits



Flexible Approach to Managing Capacity

- Reducing system capacity by at least 15 points versus scheduled
 - International capacity reduced by 20% to 25%, Domestic reduced by 10% to 15%
- Parking widebody and narrowbody aircraft and evaluating early retirements of older aircraft
- Prepared to take more aggressive actions as needed with significant flexibility on summer capacity

| Entity | Demand Commentary | Capacity Reductions |
|--|--|--|
| Pacific 6% of total revenue | Greatest impact driven by government travel restrictions | 65% <ul style="list-style-type: none"> • Suspension of China • Significant reductions in S Korea and Japan |
| Transatlantic 15% of total revenue | Largest impact in Italy, growing impact in France with corporate close-in softness | 15-20% <ul style="list-style-type: none"> • Suspension of Milan and Tel Aviv • Reduced service to Rome and Mumbai • Delay of seasonal services and ad hoc cancels |
| Domestic 72% of total revenue | Close-in booking weakness and increased cancellation rates | 10-15% <ul style="list-style-type: none"> • Reductions in high frequency markets • Removal of utilization flying, day of week cancels |
| Latin 7% of total revenue | Limited impact at this time; monitoring closely | 5% <ul style="list-style-type: none"> • Cancelling specific weak demand flights |

Note: Total revenue percentages are based on actuals for full year 2019; all capacity reduction percentages are versus scheduled

Strong Foundation Positions Delta Well For Current Challenge

Revenue and Expense

- Identified \$1.8 billion of incremental cost reductions including:
 - Capacity-related savings
 - Company-wide hiring freeze and voluntary leave options
 - Maintenance savings from grounded aircraft
- Recent fuel price decline provides approximately \$2 billion of full-year expense benefit
- Profit sharing contributes to variable cost structure
- Loyalty program and MRO provide stable revenue streams

Balance Sheet and Cash Flow

- Deferring \$500 million of capital expenditures, \$500 million of elective pension funding and suspending share repurchases
- Investment-grade balance sheet provides ready access to capital markets and financing
- Expecting at least \$5 billion liquidity at March quarter end
- Leverage at low-end of debt to EBITDAR target range of 1.5x to 2.5x
- Unencumbered collateral of approximately \$20 billion, including \$12 billion in aircraft, provides flexibility
- Pension funded status of 75% with no required contributions until 2025 under Airline Relief

Note: Pension funded status of 75% is as of December 31, 2019

Long-term Opportunity Unchanged by 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

