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Delta Air Lines, Inc. (DAL)

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MANAGEMENT DISCUSSION SECTION

[Abrupt Start]

Jamie N. Baker
Analyst, JPMorgan Securities LLC

...let me turn it over to you for some Safe Harbor and then we can kick it off with Ed Bastian, CEO; and Glen Hauenstein, the President. Over to Delta.

Jill Sullivan Greer
Vice President-Investor Relations, Delta Air Lines, Inc.

Thanks, Jamie. And, you know, I'm incredibly fortunate to pass the baton to the amazing Julie Stewart who's sitting right here next to me.

Quick Safe Harbor statement before we move to the stuff everybody really wants to hear about. Ed and Glen's comments contain forward-looking statements that represent our beliefs or expectations about future events. All forward-looking statements involve risks and uncertainties that could cause the actual results to differ. Some of the factors that may cause these differences are described in our SEC filings and Glen may also discuss non-GAAP financial measures and you can find a reconciliation of any of those non-GAAP measures on our Investor Relations page at ir.delta.com.

And, with that, I guess for the last time, I'll turn it over to Ed.

Edward H. Bastian

Chief Executive Officer & Director, Delta Air Lines, Inc.

Well, thank you, Jill, and we are really going to miss you. You've done a wonderful job over an extended period of time and I can tell you that while Julie's going to do a great job, she's got big shoes to fill. And we look forward to staying in touch. But thank you for everything over a very long and lustrous and memorable career.

Well, it's hard to believe that's it about a year ago this week that we were last at the JPM conference at the very start of the pandemic, wondering what in the world we were – we're going to be looking to into the year. And it was a very troubling time, it was unsettling, very nervous, but I can tell you that while this has been the most difficult crisis of our history in our industry as well as Delta as a company, I could not be more proud of our people, the great work they've done, the resilience they've shown, the focus about taking care of our customers and our operations, our cash, and still protecting our future.

To be able to talk to where we're going to be going is remarkable and to think that, you know, over the course of the last year, we've gotten to this point that we can start to have real, substantial discussions of the path forward – and not only the path forward, but how we're going to emerge from this as a stronger airline, as a more resilient airline, and the things that we've learned over the course of the last year has really, really been phenomenal.

So, it's because of that focus around all of our stakeholders and focus on our people, focus on our customers, taking good care of them, focus on ensuring our shareholders are kept apprised and done the best we could for our owners during this period of time, as well as our community partners. That holistic focus we've taken on the recovery is what gives me optimism as we start to see demand coming back in meaningful levels, and we start to see what I consider real glimmers of hope. And we've seen some glimmers of hope over the course of the last year, but they've been false hope, I think, in most regards. But this seems like it's real, it seems substantive, and though we've got a long ways to go yet, we always were in a much, much better place than we've been in quite a period of time.

As we updated our earnings today with a – with guidance materials, the March quarter has started slower than we were anticipating, but really accelerated the pace of recovery over the course of the quarter. And while the numbers are going to be another large loss we expect, because January and February travel demand was really low – really suppressed by the spread of the virus, the infections at peak levels, the warnings from all authorities, not just here in the US, but around the world, the stay-at-home orders and all the work that was needed to do to contain the virus.

The real story for the quarter, you know, kicked in about five or six weeks ago when we started to see bookings pick up, and that coincided clearly with confidence in the marketplace, people starting to book their spring and summer plans, and Glen's going to be giving you an update on the commercial front in terms of what that means for us.

When we look within our quarter, it looks to us that for the month of March, we expect our top line revenues to be about 40% higher than what we saw in the month of February, which is a big step-up. Of course, you always expect a meaningful step-up from February to March, and so it's good to see some traditional seasonality starting to come out. Historically, that seasonality has been in the low- to mid-30% range, so to get a 40% step-up from February to March is nice. And I think our team has done a good job on cost as well as we've gotten ready for the recovery, but fuel is the other thing that conspired to keep our losses high within the March quarter, as fuel's at the levels we haven't seen in quite a period of time.

Cash burn for us is coming in pretty close to the midpoint of what we forecasted. We forecasted, at the start of the quarter, a cash burn on a daily basis of between $10 million and $15 million a day, looks like it's going to come in between $12 million and $14 million a day. But the thing that we've noticed in cash burn and probably, for me, one of the big takeaways for our conference today is at Delta, we expect in the month of March to be at or pretty darn close to breakeven for the month of March cash burn. So, cash burn for the month of March, because of the booking improvements that we've seen over the course of the last few weeks, is going to come in pretty close to zero, and that gives us good exit velocity as we leave the quarter.

And as we look to the spring, we've mentioned in the past that our goal is to get to a breakeven cash performance for the spring, which to us was the second quarter, and I continue to be cautiously optimistic that we will see the traction we're seeing here and we're going to hold it, and then as the recovery continues to take shape, gain strength into the summer with the return to profitability for Delta, hopefully in the third quarter.

Now, of course, those forecasts are our expectation that the vaccines will continue to roll out, that herd immunity will probably be achieved in our country, probably hopefully some point in the latter part of the second quarter – the late spring, early summer, and that gives confidence back to domestic travel coming back out in a robust way.

I'm speaking to you today from Park City, Utah, and I was mentioning to Jamie before the call that you wouldn't even know there's a pandemic going on. Everybody's out, and people are really looking to get their life back. People are wanting to travel domestically. Of course, business travel is going to be delayed, and Glen will talk about that, but business travel we see starting to pick up a bit as well. And international will be somewhere between 6 to 12 months behind that.

So, with that, I'm going to turn it over to Glen to give a quick update on the commercial front. I'll come back to talk a little bit more about [ph] our rating up in (00:07:21) cash, and then we'll open it up to Q&A. Glen?

Glen William Hauenstein

President, Delta Air Lines, Inc.

Great. Thanks, Ed. And before I start, I'd just like to also echo your comments. It truly is the end of an era here with Jill retiring. It's going to be quite a different experience at all of our investor conferences moving forward. And I just want to add my thanks because we've traveled all over the world together in the last 15 years, and it's been quite a great experience. So, thank you for all your leadership, Jill, and you'll be sorely missed. And, Julie, I know you're going to do a fantastic job, so welcome.

As Ed said, we've made some great progress here at the end of March. Really, for the last five or six weeks, we've seen a very different trajectory in terms of forward bookings as the US case counts came down from their late January peak and vaccinations continue to run out in the marketplace. So we've seen what we would consider to be a lot of pent-up demand for primarily domestic and short-haul international leisure travel.

This past week, digital shopping for – as a forward-looking marker, were 70% restored to our 2019 levels and that's up nearly 15 points from December. And of course, our look to book ratios are continuing to strengthen. So, we've seen across all [ph] AP windows (00:08:41) some very good strength. And that's really – to talk a little bit about that that's very different from anywhere else that we've been in the pandemic with the further out bookings now starting to come in.

The one thing that was consistent throughout the entire pandemic was the compression of the booking window where inside of 14 and inside of 6 days, where most of year bookings resided. And really, in the past six weeks, we've seen that move out. So, the bookings that are beyond 60 days are almost flat to 2019 levels just down a few points. And that's a very different situation from where we've been in the last year. So, very encouraging signs there.

Corporate, as Ed mentioned, is still slowly but steadily building back. We're in the high-teens to low-20s in terms of corporate. And those are major corporations. SMEs are slightly ahead of that and they've been accelerating at a slightly higher pace than the true large corporate travel. But we do expect that to, from all the surveys that we've seen out in the marketplace, that that will continue to accelerate with many people returning to the office late in 2Q or early in 3Q. So, setting up well as we go through the historic leisure period of the summer have significant increase in bookings for business as we turn into the fall looking forward.

We have of, course not, yet released our middle seat. Our middle seat block is still in place, and that is going to be an incredibly powerful tool. If you think that we were able to get to cash breakeven in the month of March with over 30% of our inventory that's out flying not being sold as demand continues to return and as we release those seats into the future, that's going to be an incredibly strong lever for us with very minimal cost to open those seats up.

So, I think where we're sitting right now is a very different place than where we were sitting last, we spoke and one that we're very encouraged with and one that we see signs across the board. I would say the one thing that's still the wild card is the long-haul international and when that will open up. And we've been working very hard. As you know, we have several corridors open for quarantine-free travel to Europe which are doing quite well.

But, you know, while we're doing very well in the US right now with case counts continuing to decline and vaccinations continuing to accelerate, that's not the case all over the world yet. So, we think that's going to be a spotty return. And, hopefully, we can get towards late summer a reopening of the Trans-Atlantic, which would be the next thing we really need to achieve here. So, lots of encouraging signs, but lots of room to grow and lots of room to continue to improve as we move through the spring.

With that, I guess I'll turn it back over to Ed.

Edward H. Bastian

Chief Executive Officer & Director, Delta Air Lines, Inc.

Well, thank you, Glen. That is encouraging. We expect to end the March quarter with $16.5 billion of liquidity, and that includes the $2.9 billion of PSP2 funds that we received during the March quarter, does not include any of the PSP3 funds in that estimate, which we expect to see – receive a similar amount to the $2.9 billion of the PSP2. Since the beginning of the pandemic, one of the things that has really enabled the US airline industry to emerge from this crisis as relatively strong – bruised but relatively strong as we've been able to get out compared to the airline industry in any other part of the world really has been the support of Congress, the administration, our elected officials, both previous administration and current Biden administration. We do really appreciate the support that we've received from them.

That liquidity guide that I gave, $16.5 billion is lower than what we guided back in January, largely due to the decision that we made to repay the $1.5 billion of slots, gates, and routes term loan that we took out in the March quarter a year ago. This brings our total debt repayments to over $7 billion since October, includes the revolver, the 364-day term loan, as well as the slots, gates, and routes term loan that I mentioned.

And in the June quarter, we expect to – the additional of normal amortization of debt, which includes the $600 million of [ph] unsecured (00:13:20) maturity that's due in April. We plan on acquiring aircraft with cash and accelerating up to $1 billion or potentially even a bit more of voluntary contributions into our pension plans.

So, as you can see, the balance sheet recovery is back, in full earnest, at Delta. We know the strength of our balance sheet is one of the things that enabled us to manage through the worst crisis in our industry without having to dilute our shareholders, and it's something that that had set us apart within the industry. And we're already starting down the path to recover the balance sheet and we look forward to getting those investment-grade ratings back here over the next couple of years.

So, while the last year has been incredibly difficult for everyone in our industry probably, it has been sort of one of the poster child's for that degree of difficulty. And I've said many times through this crisis that a crisis reveals character, and I could not be more proud of the character of the people of Delta Airlines, the values that we show in terms of taking care of our people and our customers and positioning us well for what I consider year two of the recover – year two of the pandemic which is, for us, year one of the recovery, which starts in earnest this month.

With that, Jamie, we'll turn it back to you and Mark and pleased to take any questions. Thank you and – oh, by the way, I do – before I do that, one other thing that I want to mention that, in addition to Jill's retirement and Julie ably taking on Jill's shoes, we've also made the announcement to promote Ken Morge as Senior Vice President of Finance and Treasury.

Ken has been a stalwart through this – for many years. But particularly, through this last year, he was probably the most important person at Delta, I'd say and argue for very many, many days within the last year at Delta and we really appreciate all the good work that Ken has done. So, thank you, Ken, for your work and great to see you get a well-deserved promotion.

Over to you, Jamie.

QUESTION AND ANSWER SECTION

Jamie N. Baker
Analyst, JPMorgan Securities LLC
Q

All right. That's great. Thank you, gentlemen. First question for Glen, you know, your good friend, Paul Jacobson, in the past spoke about a profitable cohabitation with ultralow cost carriers. But these airlines are undoubtedly emboldened by the downturn. We've got some start-ups in the wings. They're the tip of the recovery spear because they're all leisure and they don't have corporate or, you know, international networks to worry about. How does the pandemic change the domestic interplay between operating models and why shouldn't we assume that discounters emerge with more share and Delta with less?

Glen William Hauenstein
President, Delta Air Lines, Inc.
A

Well, you know, I think that we're not playing a share game. We're playing a profit game, and we're very, very secure in our offerings. And I think when you think about what our objective has been through the pandemic, it has continued to offer best-in-class no matter what your travel needs are.

And I'd say one of the things that we will work on as we continue to release the seats or as we look to release the seats towards the summer is that we will have more seats in the lower fare categories. And I think when you look at what some of our objectives were going through the pandemic was to make sure we came out stronger and that in the places that we chose to compete that we did not cede share. And I think when you look at how we've done even with a seat block in all of our core hubs, we have maintained the share levels at pre-pandemic levels, and we think that will serve us well as we continue to move towards the back end of this and are able to put the full level of inventory back in play here.

So, I do see that a lot of them think that they had a great opportunity there. But the other thing that we've been working on through the pandemic is improving our fleet mix. And you know that peaceful cohabitation that Paul described was when we are able to put our large gauge equipment up against them, some of our highest margins are directly against ULCCs and ULCC markets. So, that's another piece that we've accelerated in the pandemic. So, I think we're going to come through, as Ed mentioned earlier, stronger than ever.

Jamie N. Baker
Analyst, JPMorgan Securities LLC

Q

Okay. Well, let's bring Ed into that conversation. Because the initial market view several months ago was that Delta and the industry would not return to prior margin levels, you know, given denuded corporate demand and higher debt levels and so forth. Obviously, the market's view is far more optimistic today. But what level of confidence do you have that Delta can not only return to but exceed your prior margins and what are the primary drivers there?

Edward H. Bastian
Chief Executive Officer & Director, Delta Air Lines, Inc.

A

Well, Jamie, I agree with you. Our goal is to not just get back to the margins of our business but to exceed. And I think we've got a real good path to do that. When you think about three of the core ingredients to that, first of all, the strength of our customer interactions, the strength of our brand arguably has never been stronger. As we've gone through the pandemic, we've seen a full 20-point increase in Net Promoter Scores. Our Net Promoter Scores are in the 70 range and that was one of the reasons – and that's despite the fact that we were blocking those seats or maybe because, in some cases.

But you saw the premium that we were also receiving on the revenue front through that crisis. I think we – over the course of the last couple of quarters, we've generated more passenger revenue compared to our main competitors despite the fact that we had significantly fewer seats available for sale. That really strengthens the proposition of the Delta brand. I can't tell you every single day, I get notes from customers thanking us for how we treat them. And by the way, it's not just the middle seat block, that's been a part of it, but it's really been the great work our team has done throughout that.

So, I think we're entering through this with a stronger brand, a more differentiated brand. We're going to come through this with a streamlined cost structure. We've retired 200 of our oldest planes. We've got another 200 planes that we're going to be accelerating the retirement of those efficiencies that we're going to garner from that. We've looked at, you know, our staffing. We're down about 20% in overall head count because of the early retirement arrangements. And we've had to be pretty creative in how we manage our costs. Our costs have been down close to 50% throughout the pandemic. And there's a lot that we gain from that.

The one thing that is going to take a little bit of time to repair is that balance sheet strength, so the higher debt load. But we're going to come through it in pretty good stead, the investments we're making in our pension that I talked about are going to help us in that regard also improve the reduction of debt and the improved performance of the pension assets.

But I think the one area that is maybe more important than any of that is international performance when we think about how we're coming through this. We're arguably as an industry – the US industry coming through this on an international basis in a much stronger way than any country I can think of around the world. The landscape is different. The strength of our partnerships are going to be even more important to us. And I think the area Delta had the greatest opportunity to improve pre-pandemic was in our international margins. And I see no reason why our international margins can't rival our domestic margins as we come through this over the next couple of years.

Jamie N. Baker
Analyst, JPMorgan Securities LLC
Q

And a quick follow-up on that before cutting over to Mark. First, what is that or what was that margin lag going into the downturn? We have that number from United. Please refresh my memory for Delta. And then, Ed, you speak about the brand. Was there anything about the brand that emerged differently during the downturn than what you'd expected and any disappointment relative to your thoughts on the brand?

Edward H. Bastian
Chief Executive Officer & Director, Delta Air Lines, Inc.
A

I'll take the second question first. No, I don't think so. You know, one of the things that, you know, I've been real impressed with the brand not only in terms of customers' behavior and commitment to the brand and, again, a lot of the customers that are traveling were not our primary most loyal customers. So, that to me was the most important thing is that this was not a strongly loyal Delta base of travelers, business travelers or premium travelers. This was largely price seekers that have been out in the market for the last year, yet our brand still stood strong through that period.

You know, one of the areas we also look at is our co-brands spend with American Express. Our co-brands spend has held in total up really well as with Steve Squeri a few days ago. And I think on a year-over-year basis, we're down less than 10% on a year-over-year basis in terms of what Amex is seeing in terms of total co-brands spend on the Delta card largely because of T&E being down in such a material way.

If you look at the non-T&E categories, our co-brands spend is actually up. So, as consumers are spending more, they're continuing to invest in the Delta brand using Amex. So, I think holistically that there's nothing about the brand, I'd say, I stand back and say was disappointing. On the margins, you know, Gary's in the room he can comment on the margins, you know, relative to the US margins. You know, Europe is closest. I think the US and the European margins or Europe's not too far behind where we are in the US. Both Latin America and Asia were probably 5 to 10 points lower than domestic margins. Gary, you can correct me if I misspoke on that.

Gary Lee Chase
Co-Chief Financial Officer & Senior Vice President – Business Development and Financial Planning, Delta Air Lines, Inc.
A

[ph] Nope, Ed (00:23:28). You got it.

Jamie N. Baker
Analyst, JPMorgan Securities LLC
Q

Well, and as a follow-up on that, we'll get to you eventually, Mark. I promise. But you know – and this is probably for Glen on that international point, you know, how should we think about future Latin American profitability post-bankruptcy for LATAM and Aeroméxico? What does that mean for the JV and Delta's results in that region?

Glen William Hauenstein
President, Delta Air Lines, Inc.
A

Well, it's not only in Latin America but all over the world, as Ed said earlier, our international partners have not received the support from their respective governments the US carriers have received from there. And that has led to a rash of bankruptcies and consolidations across the map. And I think how we look at this is that our partners will emerge stronger, and our ability to connect with our partners will, across the globe, will allow us to have higher returns moving forward.

And so, what you've seen is the weakest of the weak have either restructured or gone away depending on the entity and will not be coming back with the amount of capacity or with the ferocious appetite for growth that they had in the past. So, I think whether you're looking at Latin or whether you're looking at Transatlantic or even in the Transpacific, we're emerging from this in a very different position than we were going in.

And as Ed said, when you combine that with our fleet improvements internationally with the fleet renewal that we've been working on through the pandemic, I think you can easily see where we can make significant improvements in every region with our partners and with our new fleet as we emerge from this. So, very exciting time for us.

Mark Streeter
Analyst, JPMorgan Securities LLC

Q

And picking up on that, Glen, you said the magic word, fleet. And, Ed, you touched on it a little bit, too. It was 11 months ago on the April call where Delta and the airline industry was at DEFCON 0, you sent a very strong message to Airbus and to investors that you weren't taking any aircraft. And by the end of the year, you were back talking about the great partnership that you have with Airbus on the fleet renewal and so forth. So, I'm wondering, Ed, if we can do just a little postmortem on sort of the cadence, if you will, of the thought process there on the fleet renewal versus where we were a year ago versus where we are now, how you're thinking about that and how you're thinking about ESG which I think is, post-pandemic, obviously one of the biggest issues that we're all facing as, you know, stakeholders here in the airline industry.

Edward H. Bastian
Chief Executive Officer & Director, Delta Air Lines, Inc.

A

Yeah, well, I got to say, not only Airbus but Boeing have been great partners over the course of this past year. And you're right, in the throes of the virus, I was looking at some numbers the other day that, on April – now that our TSA counts as an industry are back over 1 million a day and rising, April 14th or so was about the low point, which I think is when we had that earnings call in the first quarter. I think the TSA count for the industry was 87,000 people. I mean, it's just stunning. So, yes, in the throes of that, yeah, we suspended not just deliveries and payments of aircraft, but just about everything that we could find.

But as we work through the course of the year, we did, I thought, a very good job of being able to retain our positions with Airbus. We slid the book to the right by a couple of years, as I think you're aware, and maintain the commitments, but that's what partners do and we've worked [ph] accretively (00:27:05). We continue to be taking the narrow-body aircraft. We took, in the latter part of the year last year, the A220-300; launched a new fleet.

For us, it's doing well in the mix, and as we look forward, a big, big part of our recovery is the continued up-gauge of our domestic network, which is going to be predicated on the Airbus A321s that we will continue to take as we've eliminated many, many of our large number, the 200 aircraft I talked about, that retired over the last year, or a small domestic narrow-body, smaller-gauged aircraft.

So, we continue to look opportunistically as to where there may be opportunities and some may be out there as orders have shifted from other carriers as well. When people ask me if we're talking to Airbus and Boeing, I say, we talk to those guys every single day – in good times and in bad, by the way.

Mark Streeter
Analyst, JPMorgan Securities LLC
Q

And when we think about the carbon agenda and how you think about the environment, how does that fit in with fleet right now, and have you – I mean, pre-pandemic, we've had some conversations about the old Delta, the old Northwest certainly, right, would run planes into the ground, run them forever and so forth, and there seemed definitely to be a shift towards renewing the fleet even before we were in the pandemic obviously. And I'm just sort of wondering right now, on the carbon side, how the fleet renewal fits in with that.

Edward H. Bastian
Chief Executive Officer & Director, Delta Air Lines, Inc.
A

Well, it does. One of the silver linings of the pandemic was that we were able to retire many of those old airplanes that you refer to, in 2020, on a per-seat basis. Our total fuel burn was down 6% on a year-over-year basis over 2019. So that's a big number. And that's a number that we see entering 2021 because a lot of that burn we received over the course of the latter parts of 2020.

So, historically, we've been running about a 1.5% to 2% efficiency on a year-over-year basis. We tripled that in 2020, and that's not due to lower volume. That's just due to the actual seats that we were flying. And I see in 2021, it's continuing to make good progress. And I can see, when we get towards the end of 2021 versus 2019, that number could be as high as 10% that we've improved our fuel efficiency over this period of time. So those opportunities are real. Every plane that we take on the domestic narrow-body side, whether it's the 220s, the 321s are coming in about 25% more fuel efficient than the plane that we're retiring.

Gary Lee Chase
Co-Chief Financial Officer & Senior Vice President – Business Development and Financial Planning, Delta Air Lines, Inc.
A

Ed, just to clarify, while you're right about 2020 as a whole, if you look in the fourth quarter where the restructuring had a more complete impact, our fuel efficiency on per ASM basis is up 11%. We expect numbers like that to continue in the first and second quarter. So, it's having a big impact.

Edward H. Bastian
Chief Executive Officer & Director, Delta Air Lines, Inc.
A

Huge progress.

Mark Streeter
Analyst, JPMorgan Securities LLC
Q

Jamie, you had a follow-up?

Jamie N. Baker
Analyst, JPMorgan Securities LLC
Q

Yeah. So, on the corporate demand question, which is probably the biggest overhang at the moment, I think it was on the fourth quarter call that you disclosed about half of your customers expect to get back to normal. I think it was 7% expect to never get back to normal. And then, something around – well, the rest, 43% sort of falling into that undecided category. I'm curious what JPMorgan's answer was to that question, though I don't expect you to know it. Any updates to those numbers or how you think those numbers might be changing since the vaccine news was still sort of in its infancy when that poll was disclosed to The Street?

Edward H. Bastian
Chief Executive Officer & Director, Delta Air Lines, Inc.

A

Yeah. We are updating that poll, Jamie. So, as we come out in mid-April with our first-quarter results, about 30 days from now, we'll give you the most recent guide. So, we're in the market talking to all of our big corporate customers. What I think we're going to see is that the intent to travel is continuing to move forward. We've seen, since the start of the year, the intent to travel is up about 10 points on the backs of the improvement in the containment of the virus, vaccinations continue to move.

You know the fact, as a country, we've got more people vaccinated than actually have actually had positive diagnosis of the virus is an important data point. And companies are starting to see their signs towards how they're reopening their businesses and starting to get back to whatever the next normal is as we look forward to.

I think the numbers will be better than that 43%. We'll have more insight. And, certainly, all the indications we're seeing – and not just the big businesses, certainly the small businesses, we're starting to see real growth and the share that we've garnered during this last year we're holding.

Jamie N. Baker
Analyst, JPMorgan Securities LLC

Q

And we're approaching our hard stop, but we can run a minute or two over given the difficulties we had at the beginning of the session, gentlemen. Again, apologies on behalf of JPMorgan for that. Ed, you've discussed at our event in the past, the various moats that exist around your business. Have any new moats emerged? Have any of the [audio gap] (00:32:36) moats grown less shallow, more deep, or should we just think about no change in that regard at all? So, when do you think the narrative shifts back to Delta as a high-quality industrial transport?

Edward H. Bastian
Chief Executive Officer & Director, Delta Air Lines, Inc.

A

Well, I think the moats will have proven their strength and their durability, the resilience, over the course of this pandemic as we get a little bit further ahead of this as we get into the spring and summer and see what the recovery actually materializes and how it looks. But we know that – we know the strength of our hub network is powerful, and we're seeing that already play out. We know the strength of our brand, we talked about, is powerful. We know the strength of our people has been powerful. Jamie, one of the things that we talked a lot about in those moats is culture – the culture of our company, the culture of our people.

And while our Net Promoter Scores and our brand scores are at all-time highs for various reasons, I think, the most important reason is the great work our team has done taking care of people, quelling anxiety as they get through the travel experience, smiling with your eyes through a mask. I mean, the experience is really unique aboard Delta and has never been better and we're going to do our best to hold on to that as we proceed through the course of this.

One quick stat, Indeed, the hiring company that is known for rating employers by anonymous employee surveys rated Delta, just recently, the seventh best employer in the country, amongst large employers, as rated by our own employees. So, when you talk about the strength of culture and brand health and employee health, it's amazing, going through a pandemic and we're rated the seventh best employer amongst large employers. So, real proud of that.

Probably the only part of the moat that's been bruised is the balance sheet. But the fact that we were able to get through this crisis without diluting our shareholders, uniquely, again, I think is real moat and is something that we're going to reclaim.

Jamie N. Baker
Analyst, JPMorgan Securities LLC

Q

On the workforce, do you think the downturn has altered the collective view towards profit sharing, given that Delta was somewhat of an outlier on that input – or output, I suppose?

Edward H. Bastian
Chief Executive Officer & Director, Delta Air Lines, Inc.

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No. I think it's reinforced the drive by the team. They missed those checks, you know, back last month, and the focus upon getting this company back on its feet is so powerful and so strong. So, no, I think it's going to play out even stronger as we go forward.

Jamie N. Baker
Analyst, JPMorgan Securities LLC

All right. That's excellent. Just checking, nobody's pinged me with any additional questions, so we'll let you gentlemen get to the one-on-ones. Enjoy the rest of the day. Thanks for the session. And, I think, I can promise that we will be getting together for this event next year and, hopefully, a lot sooner than that.

But thanks for putting up with the clunky format. We really appreciate it.

Edward H. Bastian
Chief Executive Officer & Director, Delta Air Lines, Inc.

Thank you, Jamie. Mark, we look forward to being in person.

Jamie N. Baker
Analyst, JPMorgan Securities LLC

Thank you. Take care.

Edward H. Bastian
Chief Executive Officer & Director, Delta Air Lines, Inc.

Have a good day.