Delta Beyond
2023 Investor Day

June 27, 2023
Safe Harbor

Statements made in this presentation that are not historical facts, including statements regarding our estimates, expectations, beliefs, intentions, projections, goals, aspirations, commitments or strategies for the future, should be considered “forward-looking statements” under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements are not guarantees or promised outcomes and should not be construed as such. 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, goals, aspirations, commitments and strategies reflected in or suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the impact of incurring significant debt in response to the COVID-19 pandemic; failure to comply with the financial and other covenants in our financing agreements; the possible effects of accidents involving our aircraft or aircraft of our airline partners; breaches or lapses in the security of technology systems on which we rely, which could compromise the data stored within them, as well as failure to comply with ever-evolving global privacy and security regulatory obligations or adequately address increasing customer focus on privacy issues and data security; disruptions in our information technology infrastructure; our dependence on technology in our operations; our commercial relationships with airlines in other parts of the world and the investments we have in certain of those airlines; the effects of a significant disruption in the operations or performance of third parties on which we rely; failure to realize the full value of intangible or long-lived assets; labor issues; the effects on our business of seasonality and other factors beyond our control, including severe weather conditions, natural disasters or other environmental events, including from the impact of climate change; changes in the cost of aircraft fuel; extended disruptions in the supply of aircraft fuel, including from Monroe Energy, LLC (“Monroe”), a wholly-owned subsidiary of Delta; failure or inability of insurance to cover a significant liability at Monroe’s Trainer refinery; failure to comply with existing and future environmental regulations to which Monroe’s refinery operations are subject, including costs related to compliance with renewable fuel standard regulations; significant damage to our reputation and brand, including from exposure to significant adverse publicity or inability to achieve certain sustainability goals; our ability to retain senior management and other key employees, and to maintain our company culture; disease outbreaks, such as the COVID-19 pandemic or similar public health threats, and measures implemented to combat them; the effects of terrorist attacks, geopolitical conflict or security events; competitive conditions in the airline industry; extended interruptions or disruptions in service at major airports at which we operate or significant problems associated with types of aircraft or engines we operate; the effects of extensive government regulation we are subject to; the impact of environmental regulation, including but not limited to increased regulation to reduce emissions and other risks associated with climate change, and the cost of compliance with more stringent environmental regulations; and unfavorable economic or political conditions in the markets in which we operate or volatility in currency exchange rates.

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, 2022. Caution should be taken not to place undue reliance on our forward-looking statements, which represent our views only as of the date of this presentation, and which we undertake no obligation to update except to the extent required by law.
Key Investor Takeaways

- **Best-in-class people and culture** underpin our trusted brand that transcends the industry

- **Constructive industry backdrop** with structural demand tailwinds and multi-year supply constraints

- **Unique opportunities** to grow earnings by leveraging brand strength, competitive advantages and digital transformation

- **Returns-focused strategy** with emphasis on Free Cash Flow, earnings durability and capital efficiency
Constructive Industry Backdrop

- Pent-up demand for air travel not yet satisfied
- Employment remains strong
- Evolving consumer trends benefit air travel

Air Travel Revenue Returning to Long-Term Trend

Industry Revenue to, from and within U.S. as % of GDP

- Historical Average: 1.3%
- Revenue as % of U.S. GDP:
  - Historical Avg.: 1.3%
  - 2020: 0.7%
  - 2021: 0.8%
  - 2022: 1.2%
  - 2023E: 1.3%

>$300B of missing demand

Revenue Source: 1980 – 2022: Delta internal dataset; 2023E: Delta internal estimate
Spend Shift To Services Continues

Share of Total Personal Consumption Expenditures¹

% 35
33
31
29

SERVICES TRENDLINE

- Spending on services still not fully recovered
- Long-term shift to spending on experiences
- Decline in goods spending funding travel

¹ Source: Bureau of Economic Analysis, Rubinson Research. Services excl. housing & healthcare
Consumer Trends Remain Favorable

- High-income travelers accounted for 75% of spending on air travel\(^1\)
- Leisure travel is the highest priority purchase for high-income households\(^2\)

\(^1\) Source: Federal Reserve, Rubinson Research; High-income defined as top 40% of U.S. incomes, spend on air travel based on 2021
\(^2\) Purchase priority defined as big ticket item purchase intent over next four months; high-income households defined as earning >$100k per year. Source: NY Federal Reserve, Rubinson Research
Multi-Year Supply Constraints

- Supply shortfall with industry capacity constrained
- OEM and supply chain delays continuing
- Tight labor market and limited training resources
- Industry-wide cost convergence with rising input costs

Industry Capacity as a % of 2019

- Pre-Pandemic Analyst Estimates
- Actual / Current Outlook

Capacity 17 pts lower in 2023 than pre-pandemic estimates


2023 U.S. GDP +25% Since 2019

2017 - 2022 industry ASMs as a % of 2019 sourced from U.S. DOT T100 Form 41
2020 - 2022 pre-pandemic estimated industry ASMs as a % of 2019 sourced from Deutsche Bank and Wolfe; 2023 assumes average growth rate of 4% continues
2023 current outlook industry ASMs as a % of 2019 sourced from Deutsche Bank and Wolfe
GDP Source: U.S. Bureau of Economic Analysis Nominal GDP 1Q 2023 vs. 1Q 2019
## Raising 2023 Outlook & Reiterating 2024 Targets

### Updating 2023 Guidance

<table>
<thead>
<tr>
<th>Metric Currently (2023E)</th>
<th>Prior Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Margin</td>
<td>Top End 10% - 12%</td>
</tr>
<tr>
<td>Earnings Per Share</td>
<td>Top End $5 - $6</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$3B &gt;$2B</td>
</tr>
<tr>
<td>ROIC</td>
<td>&gt;13% Low Double-Digits</td>
</tr>
</tbody>
</table>

### Reiterating 2024 Targets

<table>
<thead>
<tr>
<th>Metric Currently (2024E)</th>
</tr>
</thead>
<tbody>
<tr>
<td>13% - 15%</td>
</tr>
<tr>
<td>&gt;$7</td>
</tr>
<tr>
<td>&gt;$4B</td>
</tr>
<tr>
<td>Mid-Tens</td>
</tr>
</tbody>
</table>

Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix. Prior full-year 2023 & 2024 guidance metrics were presented at the December 2022 Financial Outlook and Strategic Update.
Committed To Delivering Profitability Across The Cycle

**STRUCTURALLY IMPROVED BUSINESS**

- More diversified, high-margin revenues
- Stronger brand loyalty and hub positions
- Prioritizing Free Cash Flow and debt reduction

**LEVERS TO MANAGE CYCLES**

- Capacity and fleet flexibility
- Cost variability with new tools developed
- Fuel decline participation given lack of hedging
Building On Durable Competitive Advantages

Delta People Are The Foundation Of Our Success And Future
Long-Term Strategic Priorities

RUN THE WORLD’S BEST AIRLINE

› Delivering industry-leading operational performance
› Extending competitive advantages
› Welcoming & caring service
› Elevating experiences

UNLOCK VALUE OF OUR TRUSTED BRAND

› Transcending industry with brand momentum
› Growing SkyMiles and expanding loyalty ecosystem
› Partnering strategically
› Building #1 airline MRO

TRANSFORM THROUGH DIGITAL

› Empowering our people
› Enhancing reliability with AI
› Leveraging data to personalize customer experience
› Driving NPS, revenue and efficiency

DELIVER LONG-TERM SHAREHOLDER VALUE

› Performing ahead of plan
› Prioritizing Free Cash Flow and debt reduction
› Improving earnings durability
› No equity dilution during pandemic
Delta’s Brand Transcends The Industry

#5 U.S. eCommerce Retailer

#12 Most Admired Companies

Cobrand Spend Approaching 1\% of U.S. GDP

#19 Ranking In Fortune 500 Return On Leadership (ROL100™) List

eCommerce retail analysis based on publicly disclosed U.S. eCommerce revenues using Delta Digital RPAD Data, Statista, internal data

GDP source: 2023 S&P Global May forecast

The ROL100™ is a unique ranking that captures the Return On Leadership® of the top 100 companies in the Fortune 500. Return On Leadership® (ROL®) is a metric that drives and measures key components vital to activating and maintaining the momentum of change for today’s leaders.
Deepening Customer Relationships Drives Value

SkyMiles Member Acquisitions
Monthly

1 Million

2014 2019 2023

SINCE 2014

+15 pts
NPS Improvement

+20 pts
Direct Distribution

+$5B
Amex Remuneration

Acquisitions reported on a monthly basis; 2020 SkyMiles monthly acquisitions excluded due to impact of the pandemic
NPS = Net Promoter Score
Digital Powers The Experience Of Delta’s Brand And People

Industry-Leading Reliability  
Elevated Experience & Efficient Servicing  
Expanded Member Engagement & Loyalty  
Merchandising & World-Class Retailing

NPS +6 To 10  
Accelerates Margin-Accretive Revenue

$1B+ In Long-Term Efficiency Gains  
Increased Return On Capital
Accelerating Our Momentum Through Digital

Cloud Migration
Seamlessly moving to cloud by 2024, increasing agility and resilience

Fast Free Wi-Fi
Streaming speed Wi-Fi deployed on 80% of Mainline fleet by end of 2023 with full international roll-out by end of 2024

Self-Service
More than 85% of transactions now self-serviceable, a 3x increase vs. 2019

World-Class Retailing
Improved digital merchandising driving more than 50%\textsuperscript{1} increase in premium revenue through digital channels

\textsuperscript{1}YTD growth versus 2019
Free Cash Flow

- $4.3B
- $3B
- $4B+
- $4B+

2019  2022  2023E  2024E  2025E

Prioritizing Free Cash Generation

Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix

Sustaining revenue premium
Improving unit cost trajectory
Disciplined reinvestment
Increased weighting of Free Cash Flow in 2023 Executive Compensation Program

Targeting Free Cash Flow Of $4 Billion Or Higher In 2024 And Beyond
Generating Record Revenue

- Raising revenue outlook for June quarter and full year
- Robust consumer demand with corporate steady
- International on pace for record summer with strength continuing into the fall

Updating Revenue Outlook

Year Over Year Revenue

Prior
Updated

2Q
15%-17%
17%-18%
Expect TRASM Flat to +1% YoY
15%-20%
Expect TRASM Flat to +3% YoY

FY
17%-20%

Capacity YoY
17%
17%

Prior 2023 guidance metrics were announced during 1Q23 earnings call.
Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix.
Building Momentum Into 2024

- Capacity growth normalizing
- Restoring best-in-class operational reliability
- Optimizing network and increasing fleet utilization
- Improving product, partnerships and offerings
- Corporate travel budgets continuing to improve

2024 Seat Restoration Versus GDP as a % of 2019

- Delta Domestic Seat Departures: ~98%
- U.S. Real GDP: 107%

Nominal GDP ~30% Higher, Supporting TRASM

GDP Source: May 2023 S&P Global Forecast
Structural Demand Tailwinds

**LONG-TERM TREND**

- **Demographic shifts driving travel demand**
  - Compared to 2019: +35%
  - Growth from Millennials and younger

- **Consumers valuing experiences & travel**
  - Compared to 2019: +10 pts
  - Consumer mix of premium product revenue

- **Hybrid work flexibility driving more travel**
  - Compared to 2019: +50%
  - Personal revenue from corporate travelers

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**Delta Total Unit Revenue**

- 2010: 2% CAGR
- 2017: 3% CAGR
- 2024E: 

**Growing Revenue Diversification Benefits TRASM**

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Consumer mix and demographic shift using LTM 5/15/23 vs LTM 5/15/19
Millennial growth based on flown passengers
Personal Domestic flown revenue from corporate travelers LTM-1Q23
Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix
Integrated Commercial Strategy Drives Leading Profitability

ACCELERATE NETWORK ADVANTAGES
- Efficient, high-margin Core hubs
- Investments in Coastal gateway hubs
- Global JV / equity partnerships

INVEST FOR THE FUTURE
- Next-gen fleet evolution
- Generational airport upgrades
- Digital transformation

EXPAND HIGH-MARGIN REVENUES
- Growing premium revenue
- Record growth in SkyMiles program
- Industry-leading cobrand portfolio

Brand Momentum And Scale Advantage Enable Accretive Growth Opportunities
ACCELERATE NETWORK ADVANTAGES

Powerful Domestic Network

- **Local Core hub share** +10 pts higher than network carrier average

- **Geographic location of Core hubs** with large catchment areas and ideal E-W and N-S flow

- **Low cost per enplanement** in Core hubs

- **Upgauging Coastal hubs** to improve costs and product competitiveness

- **Large GDP areas around Coastal hubs** enable premium and loyalty growth

**Leading Domestic Relevance**

#1 / #2 Position In Two-Thirds Of Top 100 U.S. Cities

Network carriers defined as DAL, UAL and AAL
Airport ranks based on LTM 4Q22 revenue share per U.S. DOT’s 4Q22 DB1B report
Reshaping Global Network To Drive Margin Expansion

Delta’s Leading Domestic Network Creates Strong Foundation For International Growth

Ranking defined as combined Delta and JV / non-JV partners June 2023 total seats; Partner hub capacity reflects Delta ASMs

Increasing Capacity to Partner Hubs

- 2019: 36%
- 2024E: 45%
- 2x margin to partner hubs

Growing Next-Gen Widebody Aircraft Mix

- 2019: 12%
- 2024E: 40%
- Margin +10-12 pts
Fleet Evolution Supports Commercial Strategy

INVEST FOR THE FUTURE

Retiring Aircraft | Next-Gen Replacement | Retiring Aircraft | Next-Gen Replacement

757-200 (199 seats) | A321neo (194 seats) | 767-300ER (215 seats) | A330-900neo (281 seats)

Seat Cost | (10%) | Premium Seats | +13 seats | MARGIN | +10-12 pts

Lead Contribution Per Aircraft

+$4-5M

Premium Seats

+$7-8M

Contribution Per Aircraft

MARGIN

+$4-5M

Contribution Per Aircraft

MARGIN

+$7-8M

Contribution Per Aircraft

Next-Gen Aircraft 15%-25% More Fuel Efficient

Contribution per aircraft based on annual expectations
2,000mi trip estimate for narrowbody; 4,000mi trip estimate for widebody
Growing Demand For Premium

Premium seats: Delta One, First Class, Delta Premium Select or Comfort Plus cabins reaching 100% by October 2023. Frequent Flyers defined as taking 6+ trips per year.

Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix.
Growing SkyMiles Membership & Customer Value Drives Sustained Loyalty Growth

Cobrand Card Gaining Momentum

SINCE 2019

+25% Cobrand Accounts
+60% Cobrand Spend

American Express Remuneration to Delta

2014: $2B
2019: $4B
2023E: >$6.5B
Long-Term Goal: $10B

Cobrand accounts defined as Accounts in Force
Revenue Diversity Drives Margin

**LONG-TERM GROWTH OUTLOOK**

<table>
<thead>
<tr>
<th>MAIN</th>
<th>GDP</th>
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<tbody>
<tr>
<td>$40B</td>
<td>20%</td>
</tr>
<tr>
<td>$47B</td>
<td>24%</td>
</tr>
<tr>
<td>$54B</td>
<td>56%</td>
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<tr>
<td>$60B+</td>
<td>37%</td>
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<table>
<thead>
<tr>
<th>PREMIUM</th>
<th>GDP+</th>
</tr>
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<tbody>
<tr>
<td>2014</td>
<td>21%</td>
</tr>
<tr>
<td>2019</td>
<td>32%</td>
</tr>
<tr>
<td>2023E</td>
<td>44%</td>
</tr>
<tr>
<td>Long-Term Goal</td>
<td>40%</td>
</tr>
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<table>
<thead>
<tr>
<th>LOYALTY &amp; OTHER</th>
<th>GDP++</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>47%</td>
</tr>
<tr>
<td>2019</td>
<td>47%</td>
</tr>
<tr>
<td>2023E</td>
<td>44%</td>
</tr>
<tr>
<td>Long-Term Goal</td>
<td>40%</td>
</tr>
</tbody>
</table>

Other revenue defined as MRO and other ancillary, cargo and travel related services
2023 revenue estimates based on midpoint of guidance
Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix
Ranjan Goswami
SVP, CUSTOMER EXPERIENCE DESIGN

Allison Ausband
EVP & CHIEF CUSTOMER EXPERIENCE OFFICER

Ranjan Goswami
SVP, CUSTOMER EXPERIENCE DESIGN
People Power The Delta Brand, Driving Customer Satisfaction

50% of NPS attributed to our people

26% Safe, clean, on-time with bags + recovery

24% Employee interactions

17% Onboard products

14% App experience

Note: NPS data Domestic only, 1/1/22 – 6/30/22. Onboard product includes seat comfort, cabin condition, IFE, Wi-Fi and food and beverages.
Delivering Operational Excellence Is Foundational

PERSONALIZATION

ELEVATED PRODUCT

DELTA BRAND DELIVERED BY OUR PEOPLE

INDUSTRY-LEADING OPERATIONAL RELIABILITY
SAFE, CLEAN, ON-TIME WITH BAGS + RECOVERY
Operational Performance Continues To Improve

Completion Factor

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2022</th>
<th>2023 YTD</th>
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<tbody>
<tr>
<td>Rank</td>
<td>#1</td>
<td>#1</td>
<td>#1</td>
</tr>
<tr>
<td>Factor</td>
<td>99.3%</td>
<td>97.8%</td>
<td>98.8%</td>
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</table>

On-Time Arrivals

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2022</th>
<th>2023 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>#1</td>
<td>#1</td>
<td>#1</td>
</tr>
<tr>
<td>Factor</td>
<td>71.0%</td>
<td>68.6%</td>
<td>69.2%</td>
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</table>

Missed Bag Rate

<table>
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<tr>
<th>Year</th>
<th>2019</th>
<th>2022</th>
<th>2023 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>#1</td>
<td>#1</td>
<td>#1</td>
</tr>
<tr>
<td>Rate</td>
<td>4.8</td>
<td>7.0</td>
<td>5.6</td>
</tr>
</tbody>
</table>

Competitive rank includes AA, UA, DL network system; Completion Factor, A0 - DOT data; CF & A0 YTD June 2023, MBR data per 1,000 enplaned bags through March 2023.
Elevating The Customer Experience

WELCOMING, ELEVATED & CARING SERVICE

GENERATIONAL AIRPORT INVESTMENTS

BRAND-READY AIRCRAFT

PREMIUM CABINS

FAST, FREE WI-FI AND DIGITAL ENGAGEMENT
Engaged Membership Drives NPS And Lifetime Customer Value

SkyMiles Members
Spend 5X More on Delta
than Non-Members

>2X
Non-Member NPS

AND MORE

2022 post flight survey NPS data for Domestic mainline; SkyMiles membership includes base and medallion

NON-MEMBER

$ ANNUAL REVENUE CONTRIBUTION / CUSTOMER $$$
Membership Takes Customer Experience To The Next Level

- **PERSONALIZATION**
  POWERED BY MEMBERSHIP

- **ELEVATED PRODUCT**

- **DELTA BRAND DELIVERED BY OUR PEOPLE**

- **INDUSTRY-LEADING OPERATIONAL RELIABILITY**
  SAFE, CLEAN, ON-TIME WITH BAGS + RECOVERY
Synchronizing Channels To Know And Serve Customers Better

People
Empowered by digital tools

In-Flight Service
SkyPro

Reservations
OmniPro

Chat

Kiosk

Airport Customer Service
SNAPP

Delta Sync
Powered by fast, free Wi-Fi

Fly Delta App

Delta.com
Free Wi-Fi Makes The Aircraft A Platform For Digital Engagement

Delta Sync Debuts Two New Onboard Digital Channels For SkyMiles Members
Strengthening The Power Of Membership Through Loyalty Ecosystem

- Improving SkyMiles Membership Experience via Personalization
- Growing a More Engaged Member Base
- Delivering High-Margin Revenue Growth
Member Base Becoming Younger, More Engaged And More Premium

**BECOMING YOUNGER**
- Average Age of New Members
  - 2017: 44
  - 2019: 42
  - 2022: 39

**MORE ENGAGED**
- Members Engaging Beyond Flight
  - (Cobrand, Travel Adjacent Experiences, Non-Air Partners)
  - 2017: 6M
  - 2019: 7M
  - 2022: 9M

**SHIFTING TO MORE PREMIUM**
- SkyMiles Premium Revenue Mix
  - 2017: 15%
  - 2019: 26%
  - 2022: 29%

**Millennials travel more than any generation**
- 35 days a year and spend >$5,000 on discretionary travel

**Millennials / Gen Z prioritizing credit cards**
- Millennials and Gen Z make up nearly 50% of new cobrand acquisitions
Industry-Leading Cobrand Portfolio With Room To Grow

ROBUST PIPELINE FOR GROWTH

Active SkyMiles Members

25M

SkyMiles Member Penetration

30%

Premiumization
Continued mix shift toward high spending premium cards

American Express Remuneration to Delta

2014
$2B

2019
$4B

2023E
>$6.5B

$10B

Active SkyMiles members and cobrand cardholders as of 6/1/2023 over LTM
SkyMiles Member penetration defined as members with a cobrand card as of 6/1/2023
Expanding Loyalty Ecosystem

### TRAVEL-ADJACENT EXPERIENCES
- Vacations
- Cars
- Stays
- Insurance

### CURRENT MEMBER PENETRATION
- **500K** SkyMiles Members
  - 90% Fly Delta app active users
  - 60% Premium flyer penetration
  - 60% Cobrand cardholders
  - 40% Small business customers

### PROFITABILITY
- **$250M**
- **>3X**

#### Profitability
- **2023E**
- **Long-Term Goal**

Offering Members Compelling Travel Products Using SkyMiles As A Currency

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2022 Datamart, L12M Active; Profitability defined as pre-tax income including profit sharing for travel-adjacent experiences
Trusted Travel Brand With Growing Membership

- Delta’s trusted brand drives customer preference and SkyMiles membership
- SkyMiles integration across loyalty ecosystem reinforces value of membership
- Digital investments enable personalized engagement with customers on the ground and in the air
- Strategic partnerships deliver industry-leading value propositions through cobrand and Delta Sync

Delivering High-Margin Revenue Growth Through Expanding Loyalty Ecosystem
Returns-Focused Strategy Drives Sustained Value Creation

MARGIN EXPANSION
- Generated mid-teens operating margins 2014 to 2019
- Expect four points of margin expansion in 2023 and two points in 2024

CASH GENERATION
- Delivered $21 billion of Free Cash Flow 2014 to 2019
- Expect $3 billion of Free Cash Flow in 2023 and >$4 billion in 2024

EARNINGS DURABILITY
- More diversified revenue, cost levers, participation in fuel declines
- Expect to remain profitable through full economic cycle

Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix
Executing Ahead Of Three-Year Financial Plan

Significant EPS Growth

Earnings Per Share

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<tr>
<th></th>
<th>2022</th>
<th>2023E</th>
<th>2024E</th>
</tr>
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<tbody>
<tr>
<td>Prior Guidance</td>
<td>$3</td>
<td>$6</td>
<td>&gt;$7</td>
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Strong Free Cash Flow

Free Cash Flow

<table>
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<tr>
<th></th>
<th>2022</th>
<th>2023E</th>
<th>2024E</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>$0.2B</td>
<td>$3B</td>
<td>&gt;$4B</td>
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Reducing Debt

Adjusted Debt / EBITDAR

<table>
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<tr>
<th></th>
<th>2022</th>
<th>2023E</th>
<th>2024E</th>
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<tr>
<td></td>
<td>5x</td>
<td>3x</td>
<td>&lt;2.5x</td>
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Financial targets of three-year plan were announced at the December 2021 Capital Markets Day and cover years 2022, 2023 and 2024. See Appendix for updated financial guidance and key assumptions.

Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix.
Cost Trajectory At Inflection Point

- **Absolute costs tracking to plan** with labor at market rates and inflation stable; capacity lower
- **Non-fuel unit costs improving** year over year with declines expected in 2H23 and 2024
- **Low-cost capacity growth** in Core hubs with improving fleet utilization
- **Operational reliability** and completion of rebuild set a strong foundation for cost performance

Driving Down Non-Fuel CASM Is An Enterprise-Wide Priority

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**Non-Fuel Unit Costs**

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity YoY</th>
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<tbody>
<tr>
<td>1Q23</td>
<td>18%</td>
</tr>
<tr>
<td>2Q23E</td>
<td>17%</td>
</tr>
<tr>
<td>2H23E</td>
<td>16%</td>
</tr>
<tr>
<td>2024E</td>
<td>Mid Single-Digits</td>
</tr>
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Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix
Over $1 Billion Of Cost Opportunity Through Efficiency

**Flight crews:** Moderate hiring & training, increase reserves, deploy resources to flying

**Maintenance:** Reduce engine turnaround times and inventory to historical norms

**Airport operations:** Optimize hours per flight departure as Core hubs fully restore

**Reservations:** Continue to increase digital self-service and reduce call handle times

**Onboard products:** Improve third-party labor productivity and reduce inventory via lean

**Drivers of Efficiency**

- Optimizing Operation & Network
- Slowing Hiring & Training
- Workforce Gaining Experience
## Longer-Term View Of Key Financial Drivers

<table>
<thead>
<tr>
<th></th>
<th>2010-2017</th>
<th>2017-2024E</th>
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<tbody>
<tr>
<td>TRASM CAGR</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>NF CASM CAGR</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Inflation CAGR</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Fuel Cost per ASM CAGR</td>
<td>(5%)</td>
<td>6%</td>
</tr>
<tr>
<td>Operating Margins</td>
<td>8% → 14%</td>
<td>14%</td>
</tr>
</tbody>
</table>

**Non-Fuel Unit Cost CAGR 2017 To 2024E Consistent With History And Below Inflation**

Inflation Source: S&P Global Outlook May 2023 report  
Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix
Expanding Margins And Returns

Operating Margin

- 2009: 0.3%
- 2010-2014 Average: 9%
- 2015-2019 Average: 15%
- 2022: 8%
- Top-End Of 10%-12%
- 2023E: 13%-15%
- 2024E: 13%-15%

MARGIN AND ROIC DRIVERS

› Operational excellence
› Improving non-fuel unit costs
› Commercial strategy
  - Network reshaping
  - Next-gen fleet evolution
  - Premium & loyalty growth
› Leveraging investments and existing capital base

Improving ROIC

- 2009-2014: 15%
- 2015-2019: 8%
- 2022: 13%+
- 2023E: Mid-Teens
- 2024E: Mid-Teens

Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix
Driving Cash Generation

- Stronger cash flow driven by robust demand
- Consistent, disciplined reinvestment
- Accelerating debt repayment; expect to retire >$4 billion of gross debt in 2023
- Recently re-initiated dividend

**Free Cash Flow Yield Of 15% On 2024 Target**

**Strong Free Cash Flow Outlook**

<table>
<thead>
<tr>
<th>Year</th>
<th>CapEx</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023E</td>
<td>$3B</td>
</tr>
<tr>
<td>2024E</td>
<td>&gt;$4B</td>
</tr>
</tbody>
</table>

Prior full-year 2023 & 2024 guidance metrics were presented at the December 2022 Financial Outlook and Strategic Update.

Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix.
## Restoring The Balance Sheet To Investment Grade Metrics

<table>
<thead>
<tr>
<th></th>
<th>2017-2019 Avg.</th>
<th>2023E</th>
<th>2024E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Debt / EBITDAR</td>
<td>2x</td>
<td>3x</td>
<td>&lt;2.5x</td>
</tr>
<tr>
<td>Pension Funded Status</td>
<td>70%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Unencumbered Assets</td>
<td>$15B</td>
<td>&gt;$20B</td>
<td>$25B</td>
</tr>
</tbody>
</table>

Balance Sheet Positioned To Exit 2024 Stronger Than 2019

Unencumbered assets 2017-2019 average based on 2019
Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix
Delta Well-Positioned On Next-Gen Engine Platforms

- MRO leverages Delta's deep technical capabilities, scale and preferred-partner OEM relationships
- Sizeable engine & component market with $55B addressable market and high single-digit growth
- Delta positioned on three key next-gen platforms\(^1\) accounting for ~50% of all engines by 2032

Next-Gen Engine Platforms Driving Growth
Industry-Wide Installed Engines\(^2\)

\(^1\) CFM (LEAP), Rolls-Royce (Trent) and P&W (GTFF)

\(^2\) In-service commercial passenger installed engines; Other series includes CF6, PW4000, PW2000, GP7200, RB211, JT8D, BR700, TAY, JT9D, GE9X, and PD-14; Source: MRO Prospector Fleet Forecast, Market participant interviews, FAA
Delta MRO positioned to become premier non-OEM provider

» Targeting mid-teens margins
» Provides cost advantage for Delta fleet
» Existing next-gen facilities set stage for capital-efficient growth

MRO Growth Drives Earnings And Cash Flow

Delta MRO Revenue Forecast

2023E $0.8B
2026E $2B
2030E+ $5B+
Delivering Sustained Value Creation

Building On Strength Of Core Airline

Loyalty Ecosystem
- Build loyalty, deepen member engagement
- Grow cobrand, expand offerings

Premier Airline MRO
- Leverage capabilities, scale and OEM relationships
- Durable earnings and cost advantage

Digital Transformation
- Improve experience
- Margin-accretive growth
- Cost & capital efficiency

INCREASE REVENUE GROWTH
IMPROVE EARNINGS DURABILITY
LEVERAGE EXISTING CAPITAL BASE
Key Investor Takeaways

- **Best-in-class people and culture** underpin our trusted brand that transcends the industry
- **Constructive industry backdrop** with structural demand tailwinds and multi-year supply constraints
- **Unique opportunities** to grow earnings by leveraging brand strength, competitive advantages and digital transformation
- **Returns-focused strategy** with emphasis on Free Cash Flow, earnings durability and capital efficiency
## Primary Metrics

<table>
<thead>
<tr>
<th></th>
<th>2Q23</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue YoY</td>
<td>+17%-18%</td>
<td>+17%-20%</td>
<td>GDP+</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>16%</td>
<td>Top-End of 10%-12%</td>
<td>13%-15%</td>
</tr>
<tr>
<td>Earnings Per Share</td>
<td>$2.25-$2.50</td>
<td>$6</td>
<td>&gt;$7</td>
</tr>
</tbody>
</table>

## Unit Metrics

<table>
<thead>
<tr>
<th></th>
<th>2Q23</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity YoY</td>
<td>+17%</td>
<td>+17%</td>
<td>Up Mid Single-Digits</td>
</tr>
<tr>
<td>Non-Fuel CASM YoY</td>
<td>+1%-3%</td>
<td>Flat</td>
<td>Down Low Single-Digits</td>
</tr>
</tbody>
</table>

## Cash Flow and Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Cash Flow</td>
<td>$3B</td>
<td>&gt;$4B</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$5.5B</td>
<td>$5B</td>
</tr>
<tr>
<td>Adjusted Debt / EBITDAR</td>
<td>3x</td>
<td>&lt;2.5x</td>
</tr>
</tbody>
</table>

### PROFIT SHARING FORMULA

Delta’s broad-based employee profit sharing program pays 10% of the company’s adjusted annual profit to all eligible employees up to $2.5 billion and 20% above that amount. Delta incurs employer taxes and other costs which add 2% to 2.5% at the 10% level and 3% to 4% at the 20% level. Adjusted annual profit is calculated as the company’s annual pre-tax income before profit sharing expense, special items and certain other items.
Non-GAAP Financial Measures

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 U.S. 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 presentation to the most directly comparable GAAP financial measures. Reconciliations may not calculate due to rounding.

Delta is not able to reconcile certain forward looking non-GAAP financial measures used in this presentation without unreasonable effort because the adjusting items such as those used in the reconciliations below will not be known until the end of the indicated future periods and could be significant.
Non-GAAP Financial Measures

**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 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, (iv) financed aircraft acquisitions, and (v) pension plan contributions. 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.

*Pension plan contributions.* Cash flows related to voluntary pension funding above our minimum funding requirements are included in our GAAP operating activities. In addition, in 2017 we contributed $2 billion to our pension plans using net proceeds from our debt issuance. We adjust to exclude these contributions to allow investors to understand the cash flows related to our core operations in the periods shown.

<table>
<thead>
<tr>
<th>2014 - 2019 Total</th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>Net cash provided by operating activities:</td>
<td>$ 40.7</td>
</tr>
<tr>
<td>Net cash used in investing activities:</td>
<td>(22.9)</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
</tr>
<tr>
<td>Net redemptions of short-term investments</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Strategic investments and related</td>
<td>2.2</td>
</tr>
<tr>
<td>Net cash flows related to certain airport construction projects and other</td>
<td>0.7</td>
</tr>
<tr>
<td>Financed aircraft acquisitions</td>
<td>(4.5)</td>
</tr>
<tr>
<td>Excess pension plan contributions</td>
<td>5.5</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$ 20.7</td>
</tr>
</tbody>
</table>
Non-GAAP Financial Measures

Adjustments. The following reconciliations include certain adjustments to GAAP measures that are made to provide comparability between the reported periods, if applicable, and for the reasons indicated below:

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.

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.

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. During 2022, we recognized adjustments to certain of those restructuring charges, representing changes in our estimates. Restructuring charges in earlier periods include fleet and other charges, severance and related costs and various other items. Because of the variability in restructuring charges, adjusting for this item is helpful to investors to analyze our core operational performance.

Loss on extinguishment of debt. This adjustment relates to early termination of a portion of our debt. Adjusting for these losses allows investors to better understand and analyze our core operational performance in the periods shown.

MTM adjustments on investments. Unrealized gains/losses result from our equity investments that are accounted for at fair value in nonoperating 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.

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.

One-time pilot agreement expenses. In the March 2023 quarter, Delta pilots ratified a new four-year Pilot Working Agreement effective January 1, 2023. The agreement includes numerous work rule changes and pay rate increases during the four-year term, including an initial pay rate increase of 18%. The agreement also includes a provision for a one-time payment upon ratification in the March 2023 quarter of $735 million. Additionally, we recorded adjustments to other benefit-related items of approximately $130 million. Adjusting for these expenses allows investors to better understand and analyze our core cost performance.
## Non-GAAP Financial Measures

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

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2014</th>
<th>December 31, 2019</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>$40.4</td>
<td>$47.0</td>
<td>$50.6</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third-party refinery sales</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>(5.0)</td>
</tr>
<tr>
<td>Delta Private Jets adjustment</td>
<td>-</td>
<td>(0.2)</td>
<td>-</td>
</tr>
<tr>
<td>Total revenue, adjusted</td>
<td>$40.2</td>
<td>$46.7</td>
<td>$45.6</td>
</tr>
<tr>
<td>Premium revenue</td>
<td>$10</td>
<td>$15</td>
<td></td>
</tr>
<tr>
<td>Premium revenue as a percentage of total revenue</td>
<td>24%</td>
<td></td>
<td>32%</td>
</tr>
</tbody>
</table>

Three Months Ended

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2022</th>
<th>(Projected)</th>
<th>June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>$13.8</td>
<td>$15.5</td>
<td></td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third-party refinery sales</td>
<td>(1.5)</td>
<td>~(1.0)</td>
<td></td>
</tr>
<tr>
<td>Total revenue, adjusted</td>
<td>$12.3</td>
<td>$14.5</td>
<td></td>
</tr>
</tbody>
</table>

2Q23 vs 2Q22 % change

<table>
<thead>
<tr>
<th></th>
<th>Year Ended</th>
<th>2Q23 vs 2Q22 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRASM (cents) 13.65</td>
<td>16.18</td>
<td>21.69</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third-party refinery sales</td>
<td>-</td>
<td>(0.20)</td>
</tr>
<tr>
<td>TRASM, adjusted 13.65</td>
<td>15.98</td>
<td>19.55</td>
</tr>
</tbody>
</table>

CAGR 2010 to 2017 2%

Three Months Ended

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2022</th>
<th>(Projected)</th>
<th>June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRASM (cents) 23.47</td>
<td>22.35 - 22.55</td>
<td>22.35 - 22.55</td>
<td></td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third-party refinery sales</td>
<td>(2.57)</td>
<td>~(1.45)</td>
<td></td>
</tr>
<tr>
<td>TRASM, adjusted 20.90</td>
<td>20.90 - 21.10</td>
<td>20.90 - 21.10</td>
<td></td>
</tr>
</tbody>
</table>

2Q23 vs 2Q22 % change

<table>
<thead>
<tr>
<th></th>
<th>0 - 1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRASM (cents) 23.47</td>
<td></td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
</tr>
<tr>
<td>Third-party refinery sales</td>
<td>(2.57)</td>
</tr>
</tbody>
</table>
### Non-GAAP Financial Measures

#### Operating Margin, adjusted

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating margin</td>
<td>(1.2)%</td>
<td>7.0%</td>
<td>5.5%</td>
<td>19.2%</td>
<td>17.7%</td>
<td>14.5%</td>
<td>11.8%</td>
<td>14.1%</td>
<td>7.2%</td>
<td>6.6%</td>
<td>15.4%</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTM adjustments and settlements on hedges</td>
<td>-</td>
<td>-</td>
<td>5.8</td>
<td>(3.2)</td>
<td>(1.1)</td>
<td>(0.6)</td>
<td>(0.1)</td>
<td>0.0</td>
<td>0.1</td>
<td>1.0</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Third-party refinery sales</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
<td>0.2</td>
<td>0.1</td>
<td>0.8</td>
<td>0.0</td>
<td>0.1</td>
</tr>
<tr>
<td>One-time pilot agreement expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>1.5</td>
<td>1.4</td>
<td>1.8</td>
<td>0.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
<td>0.0%</td>
<td>1.3</td>
<td>-</td>
</tr>
<tr>
<td>Operating margin, adjusted</td>
<td>0.3%</td>
<td>8.4%</td>
<td>13.1%</td>
<td>16.2%</td>
<td>16.7%</td>
<td>14.0%</td>
<td>11.9%</td>
<td>14.2%</td>
<td>7.8%</td>
<td>9.0%</td>
<td>14.6%</td>
</tr>
</tbody>
</table>

#### Three Months Ended (Projected)

<table>
<thead>
<tr>
<th>June 30, 2023</th>
<th>Operating margin</th>
<th>~15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third-party refinery sales</td>
<td>~1</td>
<td></td>
</tr>
<tr>
<td>Operating margin, adjusted</td>
<td>~16%</td>
<td></td>
</tr>
</tbody>
</table>
## Non-GAAP Financial Measures

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

<table>
<thead>
<tr>
<th>(in millions, except per share data)</th>
<th>Pre-Tax Income</th>
<th>Income Tax</th>
<th>Net Income</th>
<th>Per Diluted Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP</td>
<td>$1,914</td>
<td>$(596)</td>
<td>$1,318</td>
<td>$2.06</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTM adjustments and settlements on hedges</td>
<td>29</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss on extinguishment of debt</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTM adjustments on investments</td>
<td>784</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>(124)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-GAAP</td>
<td>$2,703</td>
<td>$(650)</td>
<td>$2,053</td>
<td>$3.20</td>
</tr>
</tbody>
</table>
Non-GAAP Financial Measures

Adjusted Debt to Earnings Before Interest, Taxes, Depreciation, Amortization and Rent ("EBITDAR"). We present adjusted debt to EBITDAR because management believes this metric is helpful to investors in assessing the company's overall debt profile. Adjusted debt includes operating lease liabilities and sale leaseback liabilities. We calculate EBITDAR by adding depreciation and amortization to GAAP operating income and adjusting for the fixed portion of operating lease expense.

### Debt and Finance Lease Obligations

<table>
<thead>
<tr>
<th>(in billions)</th>
<th>2017 - 2019 Average</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt and finance lease obligations</td>
<td>$ 10</td>
<td>$ 23</td>
</tr>
<tr>
<td>Plus: Operating lease liability</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Plus: Sale leaseback liability</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td><strong>Adjusted Debt</strong></td>
<td><strong>$ 18</strong></td>
<td><strong>$ 33</strong></td>
</tr>
</tbody>
</table>

### Operating Income

<table>
<thead>
<tr>
<th>(in billions)</th>
<th>2017 - 2019 Average</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>$ 6</td>
<td>$ 4</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Fixed portion of operating lease expense</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>EBITDAR</strong></td>
<td><strong>$ 9</strong></td>
<td><strong>$ 7</strong></td>
</tr>
</tbody>
</table>

Adjusted Debt to EBITDAR

- 2x
- 5x
Non-GAAP Financial Measures

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

<table>
<thead>
<tr>
<th>(in cents)</th>
<th>March 31, 2022</th>
<th>June 30, 2022</th>
<th>March 31, 2023</th>
<th>(Projected) June 30, 2023</th>
<th>1Q23 vs 1Q22 % change</th>
<th>2Q23 vs 2Q22 % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASM</td>
<td>19.56</td>
<td>20.89</td>
<td>21.25</td>
<td>18.80-19.05</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third-party refinery sales</td>
<td>(2.29)</td>
<td>(2.57)</td>
<td>(1.49)</td>
<td>~(1.45)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aircraft fuel and related taxes</td>
<td>(4.04)</td>
<td>(5.47)</td>
<td>(4.36)</td>
<td>~(3.65)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit sharing</td>
<td>-</td>
<td>(0.09)</td>
<td>(0.12)</td>
<td>~(0.80)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One-time pilot agreement expenses</td>
<td>-</td>
<td>-</td>
<td>(1.41)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>0.01</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASM-Ex</td>
<td>13.24</td>
<td>12.76</td>
<td>13.86</td>
<td>12.90-13.15</td>
<td>4.7%</td>
<td>1 - 3%</td>
</tr>
</tbody>
</table>

#### Six Months Ended

<table>
<thead>
<tr>
<th>(in cents)</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASM</td>
<td>19.98</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
</tr>
<tr>
<td>Third-party refinery sales</td>
<td>(1.86)</td>
</tr>
<tr>
<td>Aircraft fuel and related taxes</td>
<td>(5.03)</td>
</tr>
<tr>
<td>Profit sharing</td>
<td>(0.41)</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>0.10</td>
</tr>
<tr>
<td>CASM-Ex</td>
<td>12.67</td>
</tr>
</tbody>
</table>

#### Year Ended December 31,

<table>
<thead>
<tr>
<th>(in cents)</th>
<th>2010</th>
<th>2017</th>
<th>2022</th>
<th>CAGR 2010 to 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASM</td>
<td>12.69</td>
<td>13.83</td>
<td>20.12</td>
<td></td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third-party refinery sales</td>
<td>-</td>
<td>(0.20)</td>
<td>(2.13)</td>
<td></td>
</tr>
<tr>
<td>Aircraft fuel and related taxes</td>
<td>(3.82)</td>
<td>(2.66)</td>
<td>(4.92)</td>
<td></td>
</tr>
<tr>
<td>Profit sharing</td>
<td>(0.13)</td>
<td>(0.42)</td>
<td>(0.24)</td>
<td></td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>(0.19)</td>
<td>-</td>
<td>0.05</td>
<td></td>
</tr>
<tr>
<td>CASM-Ex</td>
<td>8.54</td>
<td>10.56</td>
<td>12.87</td>
<td>3%</td>
</tr>
</tbody>
</table>
Non-GAAP Financial Measures

After-tax Return on Invested Capital ("ROIC"). We present after-tax return on invested capital as management believes this metric is helpful to investors in assessing the company’s ability to generate returns using its invested capital as a measure against the industry. Return on invested capital is tax-effected adjusted total pre-tax income divided by average adjusted invested capital. Average adjusted invested capital represents the sum of the adjusted book value of equity at the end of the last five quarters, adjusted for pension and fuel hedge impacts within other comprehensive income. Average adjusted gross debt is calculated using amounts as of the end of the last five quarters. All adjustments to calculate ROIC are intended to provide a more meaningful comparison of our results to the airline industry.

<table>
<thead>
<tr>
<th></th>
<th>2015 - 2019 Average</th>
<th>Year Ended December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-tax adjusted income</td>
<td>$6.5</td>
<td>$4.4</td>
</tr>
<tr>
<td>Tax effect</td>
<td>$(2.0)</td>
<td>$(1.1)</td>
</tr>
<tr>
<td>Tax-effected adjusted total pre-tax income</td>
<td>$4.5</td>
<td>$3.3</td>
</tr>
<tr>
<td>Adjusted book value of equity</td>
<td>$20.0</td>
<td>$12.1</td>
</tr>
<tr>
<td>Average adjusted gross debt</td>
<td>$11.2</td>
<td>$27.5</td>
</tr>
<tr>
<td>Averaged adjusted invested capital</td>
<td>$31.3</td>
<td>$39.6</td>
</tr>
</tbody>
</table>

After-tax Return on Invested Capital 15% 8.4%