

December Quarter 2023 GAAP Financial Results

- Operating revenue of \$14.2 billion
- Operating income of \$1.3 billion with an operating margin of 9.3 percent
- Pre-tax income of \$2.3 billion with a pre-tax margin of 16.0 percent
- Earnings per share of \$3.16
- Operating cash flow of \$545 million
- Payments on debt and finance lease obligations of \$361 million

December Quarter 2023 Adjusted Financial Results

- Operating revenue of \$13.7 billion, 11 percent higher than the December quarter 2022
- Operating income of \$1.3 billion with an operating margin of 9.7 percent
- Pre-tax income of \$1.1 billion with a pre-tax margin of 7.8 percent
- Earnings per share of \$1.28
- Operating cash flow of \$499 million

Full Year 2023 GAAP Financial Results

- Operating revenue of \$58.0 billion
- Operating income of \$5.5 billion with an operating margin of 9.5 percent
- Pre-tax income of \$5.6 billion with a pre-tax margin of 9.7 percent
- Earnings per share of \$7.17
- Operating cash flow of \$6.5 billion
- Payments on debt and finance lease obligations of \$4.1 billion
- Total debt and finance lease obligations of \$20.1 billion at year end

Full Year 2023 Adjusted Financial Results

- Operating revenue of \$54.7 billion, 20 percent higher than the full year 2022
- Operating income of \$6.3 billion with an operating margin of 11.6 percent
- Pre-tax income of \$5.2 billion with a pre-tax margin of 9.5 percent
- Earnings per share of \$6.25
- Operating cash flow of \$7.2 billion
- Free cash flow of \$2.0 billion
- Adjusted debt to EBITDAR of 3.0x, down from 5.0x at the end of 2022
- Return on invested capital of 13.4 percent, up 5 points over 2022

Financial Guidance¹

	FY 2024 Forecast
Earnings Per Share	\$6 - \$7
Free Cash Flow (\$B)	\$3 - \$4
Adjusted Debt to EBITDAR	2x - 3x
	1Q24 Forecast
Total Revenue YoY	Up 3% - 6%
Operating Margin	Approx. 5%
Earnings Per Share	\$0.25 - \$0.50

¹Non-GAAP measures; Refer to Non-GAAP reconciliations for historical comparison figures

Additional metrics for financial modeling can be found in the Supplemental Information section under Quarterly Results on ir.delta.com.

Revenue Environment and Outlook

“With industry-leading operational performance and best-in-class service delivered by our people, more customers than ever are choosing Delta. In 2023 we delivered a record \$54.7 billion in revenue, 20 percent higher than 2022. Premium and non-ticket revenue has reached 55 percent of total revenue, supporting Delta's differentiated financial results from the industry,” said Glen Hauenstein, Delta's president. “With strong demand for international travel and a positive inflection in the domestic environment, we expect March quarter adjusted revenue to be 3 to 6 percent higher than the prior year.”

“With our outlook for continued revenue growth, we expect March quarter unit revenues to be flat to down 3 percent over 2023,” Glen said. “The midpoint of this outlook implies a two-point sequential improvement in unit revenues on a year-over-year basis. The March quarter includes a headwind from higher international mix, the normalization of travel credit utilization and lapping a competitor's operational challenges in the year ago period.”

- **Industry-leading operational results with strong leisure and business demand continuing:** Delta delivered record December quarter revenue with the highest holiday travel volumes in its history. Operational performance was best-in-class with leading system-wide completion factor and on-time performance. Corporate sales accelerated into year-end, including double-digit year-over-year growth in the month of December. Technology and Financial Services led momentum for the December quarter, with Media and Auto sectors seeing notable traction following strike resolutions. Recent corporate

survey results indicate that 93 percent of companies surveyed expect their travel volumes to increase sequentially or stay the same in the March quarter and into 2024.

- **International demand remains strong:** International passenger revenue was 25 percent higher versus the December quarter 2022 with double-digit revenue and capacity growth in the Transatlantic, Pacific and Latin entities. Transatlantic performance led with passenger unit revenues up 9 percent versus the December quarter 2022. Full year results generated record margins across all three international regions.
- **Premium and Loyalty driving revenue diversification:** Premium revenue grew 15 percent versus the December quarter 2022 on record paid load factors, outperforming Main Cabin. Loyalty revenue improved 11 percent, driven by strong co-brand spend growth. Remuneration from American Express for the December quarter was \$1.7 billion, approximately 11 percent higher than the December quarter 2022, and full year remuneration of \$6.8 billion grew 22 percent year-over-year. For the full year, diversified revenue streams, including Loyalty, Premium, Cargo, and MRO comprised 55 percent of total revenues.

Cost Performance and Outlook

“We closed the year strong, with full-year operating margin expanding by four points to 11.6 percent”, said Dan Janki, Delta's chief financial officer. “In 2024 we are entering a period of optimization and expect to unlock efficiencies that will fund continued investment in our people, our operation and our customers. We expect to deliver earnings and cash flow growth for the full year, with non-fuel unit costs up low-single digits over 2023.”

December Quarter 2023 Cost Performance

- Operating expense of \$12.9 billion and adjusted operating expense of \$12.3 billion
- Adjusted non-fuel costs of \$9.1 billion
- Non-fuel CASM was 1.1 percent higher year-over-year
- Adjusted fuel expense of \$2.9 billion was up 6 percent year-over-year
- Adjusted fuel price of \$3.00 per gallon declined 6 percent year-over-year with a breakeven refinery contribution following the planned maintenance at the refinery facilities
- Fuel efficiency, defined as gallons per 1,000 ASMs, was 14.3, a 2 percent improvement year-over-year

Full Year 2023 Cost Performance

- Operating expense of \$52.5 billion and adjusted operating expense of \$48.3 billion
- Adjusted non-fuel costs of \$35.8 billion
- Non-fuel CASM was 2.3 percent higher year-over-year
- Adjusted fuel expense of \$11.1 billion was down 3 percent year-over-year
- Adjusted fuel price of \$2.83 per gallon declined 16 percent year-over-year and includes a refinery benefit of 10¢ per gallon

- Fuel efficiency, defined as gallons per 1,000 ASMs, was 14.4, a 1.4 percent improvement year-over-year

Balance Sheet, Cash and Liquidity

"Delta delivered \$2 billion of free cash flow in the year, while reinvesting in the business and repaying \$4.1 billion of gross debt. During the year, we reduced leverage to 3x and reinstated the quarterly dividend," Janki said. "We expect 2024 free cash flow of \$3 to \$4 billion, an up to \$2 billion improvement driven by continued earnings growth, lower capital expenditures and a higher mix of cash sales. With strong cash generation, we expect to continue reducing debt and growing our unencumbered asset base, progressing our balance sheet towards investment grade."

- Adjusted net debt of \$21.4 billion at December quarter end, a reduction of \$879 million from the end of 2022
- Payments on debt and finance lease obligations for the full year of \$4.1 billion
- Weighted average interest rate of 4.6 percent with 90 percent fixed rate debt and 10 percent variable rate debt
- Borrowed \$878 million in connection with tax-exempt bond financing to provide a majority of funding to complete the generational terminal transformation at LaGuardia airport
- Adjusted operating cash flow in the December quarter of \$499 million and gross capital expenditures of \$1.2 billion
- Full year adjusted operating cash flow of \$7.2 billion and gross capital expenditures of \$5.3 billion, resulting in \$2.0 billion free cash flow
- Air Traffic Liability ended the year at \$7.0 billion
- Liquidity* of \$6.8 billion at year-end, including \$2.9 billion in undrawn revolver capacity

*Includes cash and cash equivalents, short-term investments and undrawn revolving credit facilities

Fleet Update

Today, Delta announced it reached an agreement with Airbus to purchase twenty A350-1000s, with options for twenty additional widebody aircraft. Deliveries of the aircraft are scheduled to begin in 2026. In addition to improved fuel efficiency, these aircraft will add higher gauge, more premium seating and greater cargo capabilities to the international widebody fleet. The company also announced a service agreement with Rolls Royce to service its Trent XWB-97 engines. The order for the aircraft is within Delta's previously announced capital expenditure and capacity targets.

December Quarter and Full Year 2023 Highlights

Operations, Network and Fleet

- Earned the Cirium Platinum Award for operational excellence for the third consecutive year, and named the most on-time airline in North America, a demonstration of Delta's commitment to operational performance and minimizing passenger disruption
- Operated the most reliable airline during the quarter¹ with a completion factor of 99.8%, and for the full year, Delta's network system ranked first among competitors in on-time arrivals²
- Took delivery of 15 aircraft in the December quarter, bringing full year aircraft deliveries to 43, including 27 A321neo, 9 A220-300 and 7 A330-900 aircraft
- Building on Delta's partnership with LATAM, launched new and returning service to Rio de Janeiro from Delta's Atlanta and New York-JFK hubs
- Announced daily nonstop service from Seattle to Taipei beginning June 2024
- Launched a long-term codeshare agreement with EL AL Israel airlines in December with travel beginning January 1st, improving connection for customers flying between the Americas and Tel-Aviv
- Announced the launch of Delta's codeshare relationship with airBaltic, providing customers with convenient connections and more flexible booking options between North America and Latvia

Culture and People

- Delta people earned \$1.4 billion in profit sharing and \$53 million in Shared Rewards for the year, recognizing the outstanding performance of Delta's 100,000 employees
- Delta ranked No. 13 in the U.S. on Glassdoor's Best Places to Work list, the 8th year in a row the company has been named a Best Place to Work by Glassdoor
- Delta volunteers helped build four Habitat for Humanity homes, bringing the total built or rehabbed by Delta to 283 across 13 countries
- Building on Delta's Propel Program designed to develop the next generation of pilots, welcomed 61 employees to the program in the year
- Delta celebrated 19 years in partnership with Marine Toys for Tots, presenting over 1,200 bikes, 1,200 toys and a \$50,000 contribution to the organization at its annual holiday event at Delta TechOps. Delta has contributed \$700,000 annually to Toys for Tots system wide.

Customer Experience and Loyalty

- Engagement with Delta and the SkyMiles program reached an all-time high, with record membership growth, co-brand spend and revenue from travel-adjacent services
- Named the No. 1 airline in the Business Travel News Airline survey for the 13th consecutive year, citing Delta's customer service, distribution channels, expansive network and quality of communications

- Delta's LAX Sky Club was named North America's Best Airline Lounge for 2023 by Business Traveler
- Added Walmart+ to the Delta Sync suite of partners to offer customers the power and convenience of shopping from the air
- Opened the Window Seat Shop at JFK during the holiday season, where SkyMiles members can shop artisan gifts from small businesses across Delta's global network while earning Medallion Qualification Dollars (MQDs) toward 2025 status
- The Fly Delta App crossed 1 billion in annual visits in 2023, up 25% year-over-year

Environmental, Social and Governance

- Improved fuel efficiency through fleet renewal and saved more than 8 million gallons of fuel year-over-year through other cross-divisional efforts, coordinated through Delta's Carbon Council. Initiatives include catering service weight reduction and enhanced aircraft routing
- Delta retired the CRJ-200, its least fuel-efficient aircraft type, making Delta the only major U.S. airline with premium seating on every flight
- Began final testing of paper cups onboard, with the opportunity to eliminate nearly seven million pounds of single-use plastics onboard annually once fully implemented system wide
- Recognized by Forbes in three of its annual lists of America's Best Employers for Women, America's Best Employers for Veterans and America's Best Employers for Diversity
- Identified by Newsweek as one of America's Greatest Workplaces for LGBTQ+ and for Veterans
- Delta led the formation of Americans for Clean Aviation Fuels, a coalition of the largest industrial sectors in America focused on promoting the economic benefits of building a robust market for Sustainable Aviation Fuel (SAF)
- Delta continues to make progress increasing representation of women, Black talent and Latin and Hispanic talent in management roles across the company, as outlined in the 2023 Close the Gap update

¹FlightStats preliminary data for Delta flights system wide and for Delta's competitive set (AA, UA, B6, AS, WN, and DL), from October 1 - December 31, 2023.

²FlightStats preliminary data for Delta flights system wide and for Delta's competitive set (AA, UA, B6, AS, WN, and DL), from January 1 - December 31, 2023. On-time is defined as A0.

December Quarter and Full Year 2023 Results

December quarter and full year results have been adjusted primarily for the third-party refinery sales, unrealized gains on investments, one-time expenses related to the new pilot agreement and loss on extinguishment of debt as described in the reconciliations in Note A.

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	GAAP		Adjusted		GAAP		Adjusted	
	4Q23	4Q22	4Q23	4Q22	FY23	FY22	FY23	FY22
(\$ in millions except per share and unit costs)								
Operating income	1,323	1,470	1,330	1,422	5,521	3,661	6,334	3,566
Operating margin	9.3 %	10.9 %	9.7 %	11.6 %	9.5 %	7.2 %	11.6 %	7.8 %
Pre-tax income	2,275	1,120	1,064	1,242	5,608	1,914	5,220	2,703
Pre-tax margin	16.0 %	8.3 %	7.8 %	10.1 %	9.7 %	3.8 %	9.5 %	5.9 %
Net income	2,037	828	826	950	4,609	1,318	4,020	2,053
Diluted earnings per share	3.16	1.29	1.28	1.48	7.17	2.06	6.25	3.20
Operating revenue	14,223	13,435	13,661	12,292	58,048	50,582	54,669	45,605
Total revenue per available seat mile (TRASM) (cents)	20.78	22.58	19.95	20.66	21.34	21.69	20.10	19.55
Operating expense	12,900	11,965	12,330	10,871	52,527	46,921	48,335	42,039
Cost per available seat mile (CASM) (cents)	18.84	20.11	13.29	13.14	19.31	20.12	13.17	12.87
Fuel expense	2,941	2,849	2,933	2,778	11,069	11,482	11,121	11,453
Average fuel price per gallon	3.01	3.28	3.00	3.20	2.82	3.36	2.83	3.36
Operating cash flow	545	1,189	499	1,211	6,464	6,363	7,216	6,210
Capital expenditures	1,602	2,200	1,201	2,113	5,323	6,366	5,305	6,008
Total debt and finance lease obligations	20,054	23,030			20,054	23,030		
Adjusted net debt			21,424	22,303			21,424	22,303