

RESULTS

Q1 2024

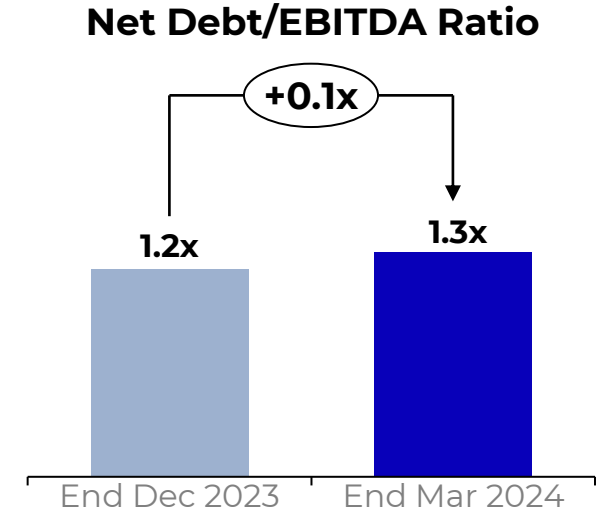
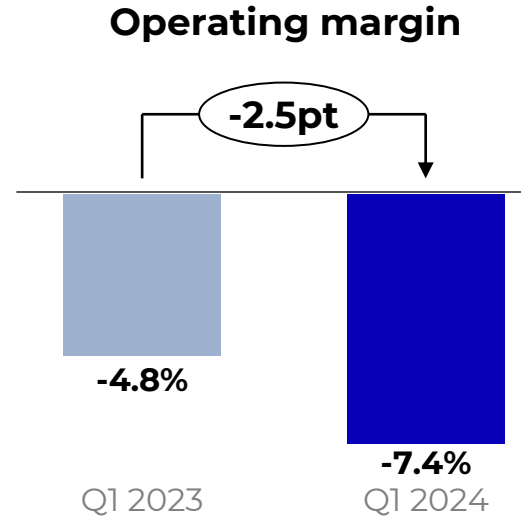
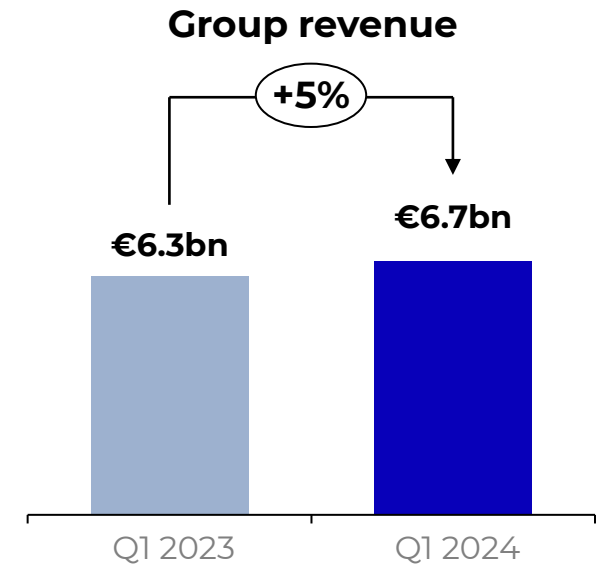
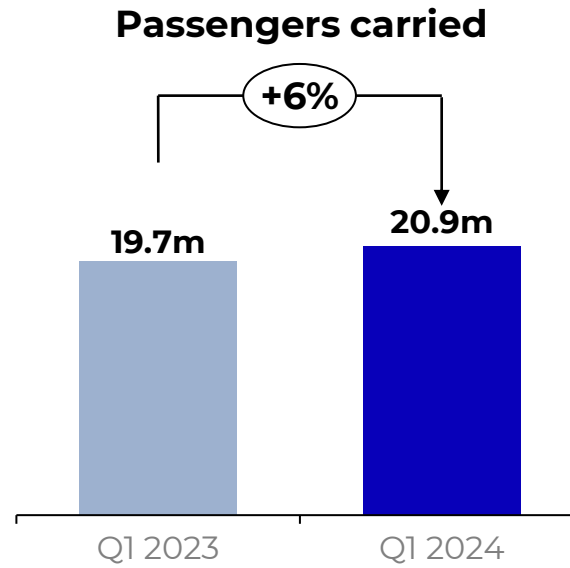
AIRFRANCE**KLM**
GROUP

Q1 2024 HIGHLIGHTS

Benjamin Smith – Chief Executive Officer Air France-KLM

Q1 2024 RESULTS

- **Group revenue up 5%** compared to last year, slightly higher than capacity deployment
- **Group passenger unit revenue up +2.1%** versus last year
- **Operating result stood at -€489m**, impacted by disruption costs and cargo unit revenue reduction
- **Positive operating free cash flow**, driven by promising summer ticket sales
- **Net debt/EBITDA ratio broadly stable at 1.3x**
- **Continuous priority on ESG**
 - Next generation aircraft: 21% (vs. 17% in Q1 2023)
 - Sustained social dialogue



DESPITE STRONG EXTERNAL PRESSURES WE SUSTAINED THE SOCIAL DIALOGUE ACROSS THE ENTIRE GROUP

AIRFRANCE 

KLM 

 **transavia**

Sustained high-quality social dialogue:

- >40 multi-year¹ labor agreements signed across all employee groups
- Company-wide salary raises, in line with industry trends

Dynamic EPS² across the Group

Great place to work

In the Netherlands, KLM is the preferred choice for higher-education management trainees³

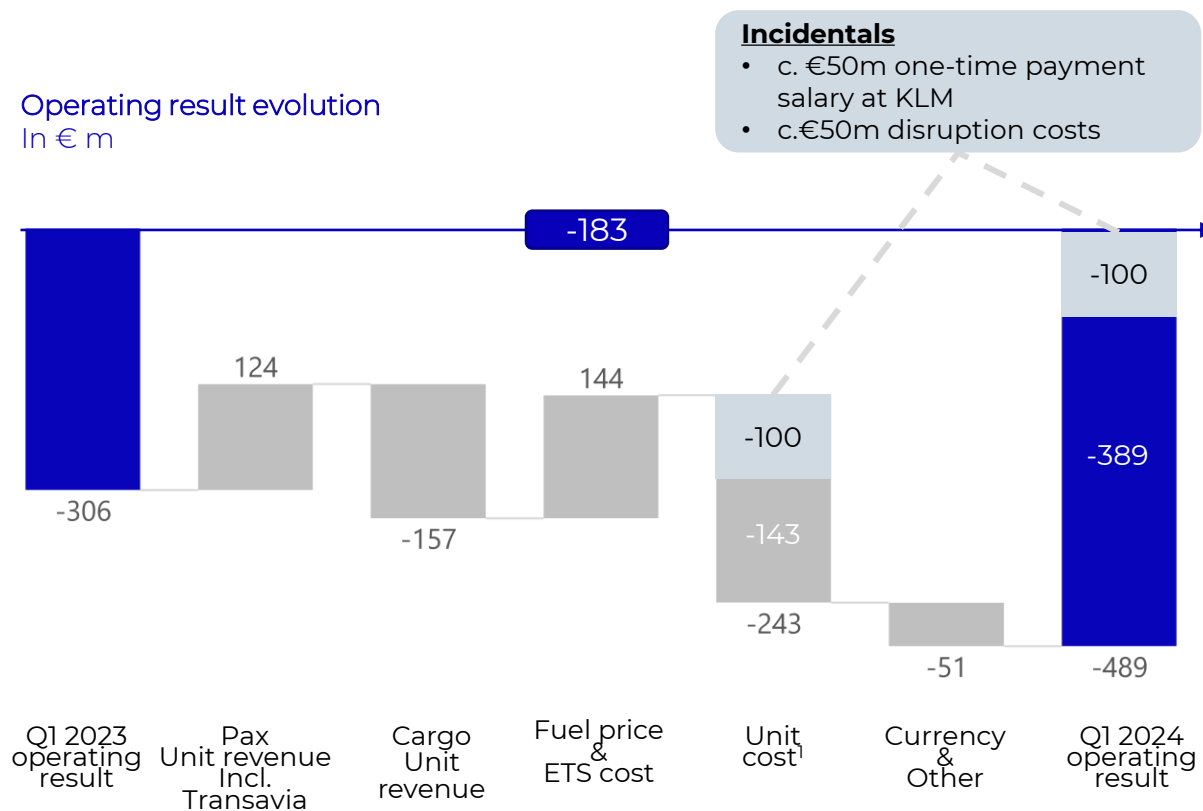
In France, Air France is the #1 choice in transportation sector and #9 overall³

Q1 2024 FINANCIAL RESULTS

Steven Zaat – Chief Financial Officer Air France-KLM

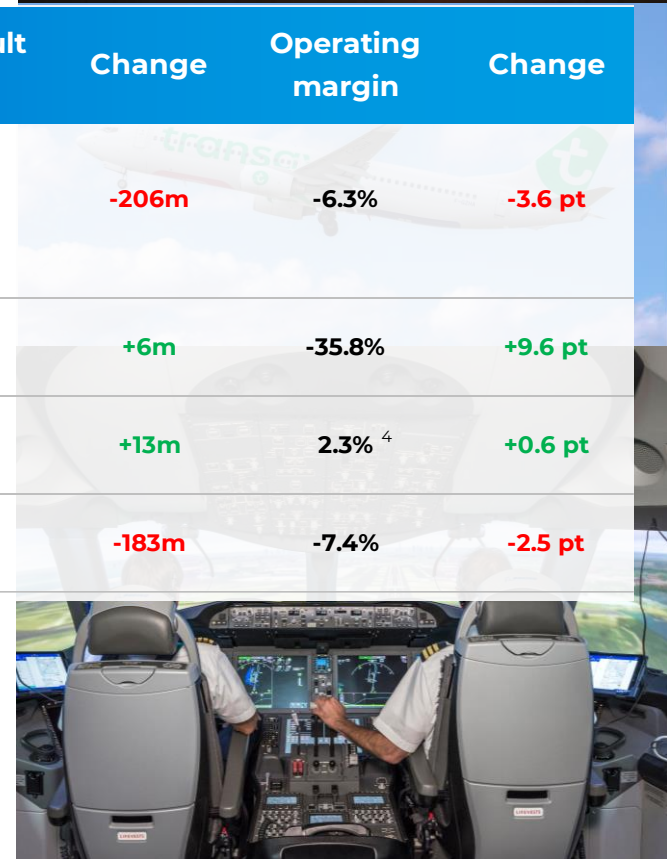
DISRUPTION COSTS AND CARGO UNIT REVENUE REDUCTION WEIGHED ON THE OPERATING RESULT

	Q1 2024	Q1 2023	Change
Revenues (€ m)	6,654	6,329	+5.1%
Operating expenses (€ m)	6,478	6,043	+7.2%
EBITDA (€ m)	176	286	-110
Operating result (€ m)	-489	-306	-183
Operating margin	-7.4%	-4.8%	-2.5 pt
Net income - Group part (€ m)	-522	-344	-178








1) Unit cost at constant fuel, constant currency and excluding ETS

POSITIVE UNIT REVENUE PERFORMANCE FROM PASSENGER NETWORK AND TRANSAVIA



Q1 2024 vs Q1 2023

		Capacity ¹	Unit Revenue ² Constant Curr.	Revenues (€ m)	Change	Operating result (-€ m)	Change	Operating margin	Change
Network		+3.7%	+1.7%	5,096	+3.9%	-356	-206m	-6.3%	-3.6 pt
		+5.0% ³	-26.1%	562	-16.5%				
Transavia		+11.1%	+9.9%	462	+22.4%	-166	+6m	-35.8%	+9.6 pt
Maintenance				530	+43.4%	28	+13m	2.3% ⁴	+0.6 pt
Group		+4.5%	-0.7%	6,654	+5.1%	-489	-183m	-7.4%	-2.5 pt

Air France-KLM passenger network + cargo = network

1) Capacity is defined as Available Seat Kilometers (ASK), except for Network Cargo capacity which is Available Ton Kilometers (ATK). Group capacity is defined as Passenger ASK (Network Passenger ASK + Transavia ASK)



2) Unit revenues = revenue per ASK, Cargo unit revenues = Cargo revenue per ATK, Group unit revenue = (Network traffic revenues + Transavia traffic revenues) / (Network Passenger ASK + Transavia ASK).

3) Capacity of passenger aircraft used for cargo only, is based on theoretical payload without passengers

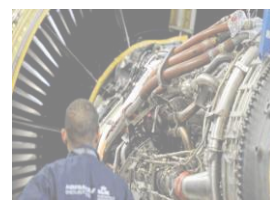
4) Revenue is the third-party revenues, margin calculated on the total revenues

REVENUE OUTPERFORMING CAPACITY GROWTH

CHALLENGING OPERATIONS FOR BOTH AIRLINES

Q1 2024 vs Q1 2023	Capacity change	Revenues (€ m)	Change YoY	Operating result (€ m)	Change YoY	Operating margin	Change YoY
AIRFRANCE 	+3%	4,032	+3%	-249	-68	-6.2%	-1.6 pt
	+7%	2,735	+8%	-290	-163	-10.6%	-5.6 pt
FLYINGBLUE Miles ¹		196		47		24.0%	
AIRFRANCE KLM GROUP	+5%	6,654	+5%	-489	-183	-7.4%	-2.5 pt

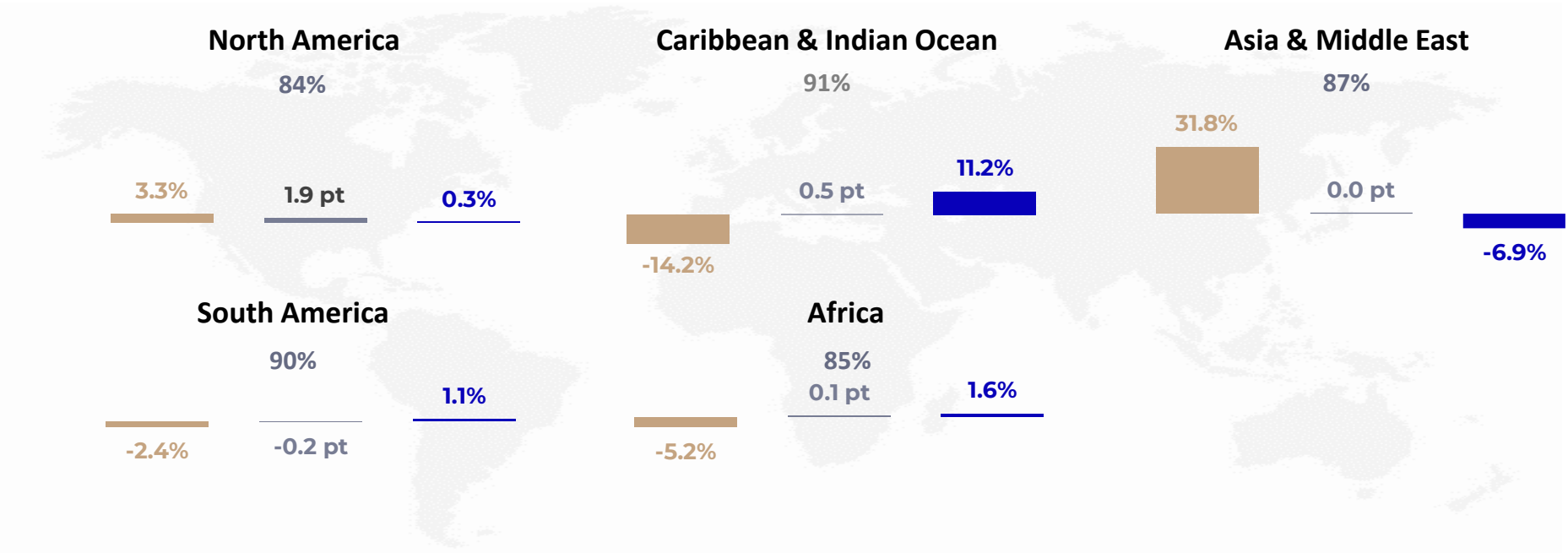
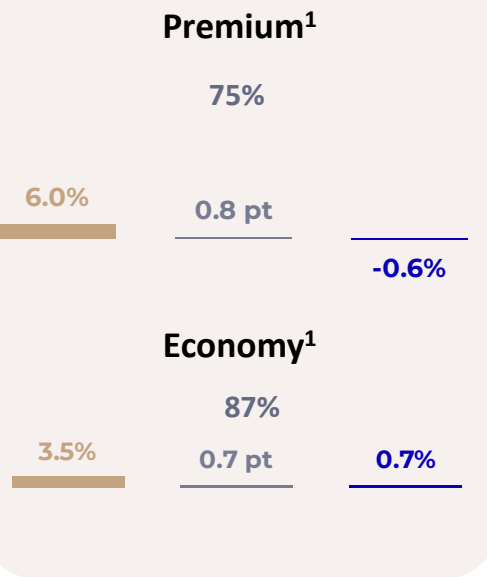
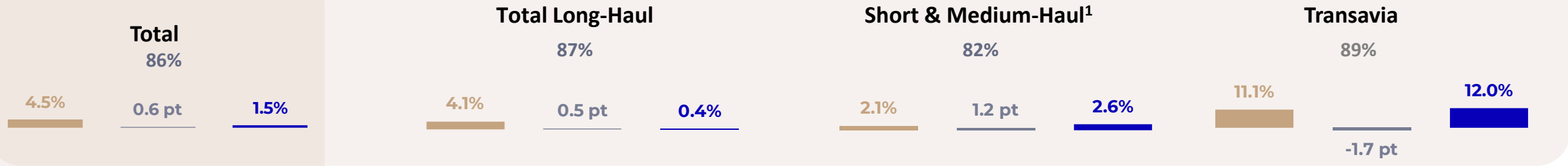
- **Air France's performance** was affected by supply chain issues, and IT system implementation for the cargo activity, which weighed on the revenues and on the profitability
- **KLM's performance** hampered by one-time payment salary in January (c.€50m), as well as high customer compensation in January and February (c.€50m)



NB: Sum of individual airline results does not add up to Air France-KLM total due to intercompany eliminations at Group level
 1) Flying Blue Miles total gross turnover, including third party airline and non airline partners revenue

SUSTAINED DEMAND TRANSLATING IN SOLID UNIT REVENUE DEVELOPMENT FOR NETWORK AND STRONG YIELD FOR TRANSAVIA

Q1 2024 vs Q1 2023



1) Air France-KLM network, excluding Transavia

■ ASK xx pt Load factor change ■ Yield ex currency xx% Actual Load factor

POSITIVE FREE CASH FLOW SUPPORTED BY PROMISING SUMMER TICKET SALES

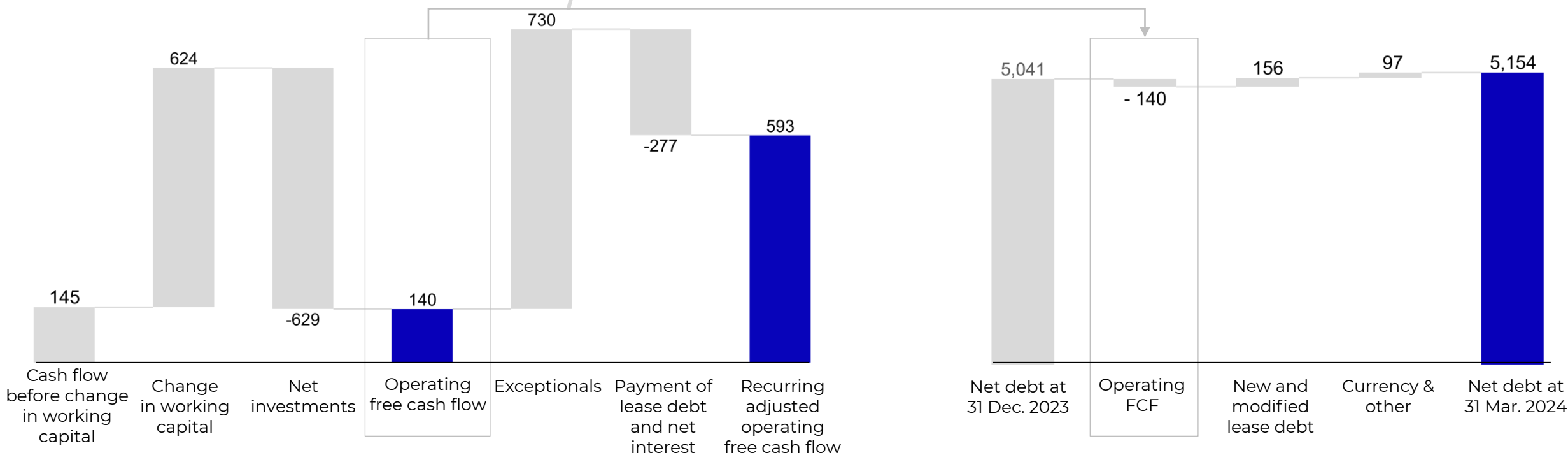
Q1 2024 Free cash flow evolution
In € m

Exceptionals:

- €610m one-time payment to the Air France flight crew pension fund (CRPN)
- €120m deferred social charges and wages taxes

Solid Cash at hand
- at end March **€9.9bn**

Stable leverage
Net debt/EBITDA **1.3x**
End March 2024



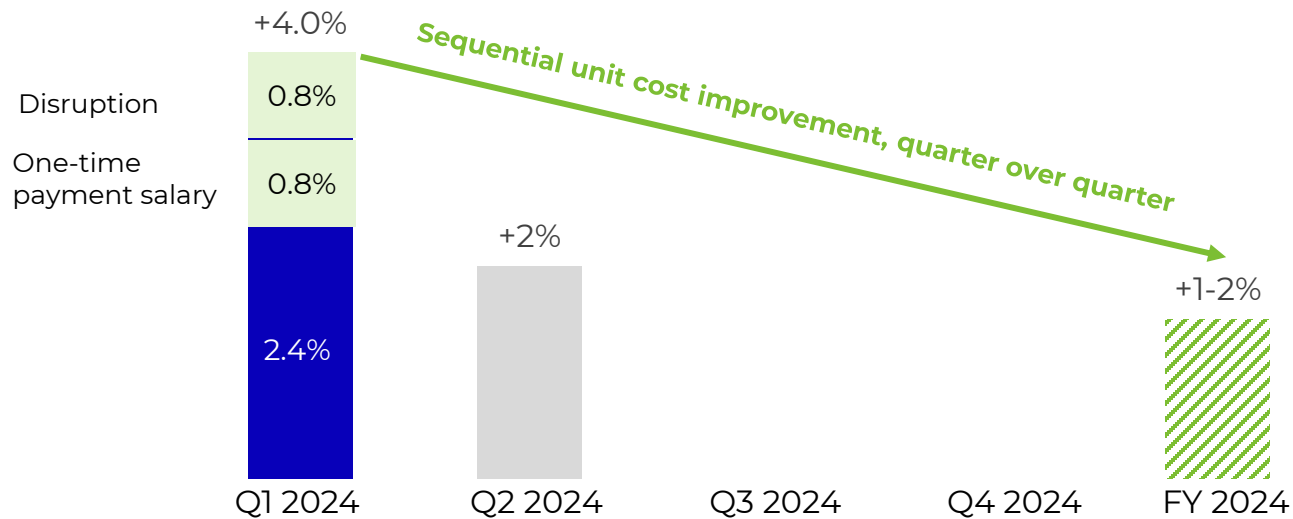
OUTLOOK

Steven Zaat – Chief Financial Officer Air France-KLM

UNIT COST OUTLOOK CONFIRMED AT +1-2% COMPARED TO 2023

2024 Quarterly unit cost¹ per ASK evolution

In % year-over-year



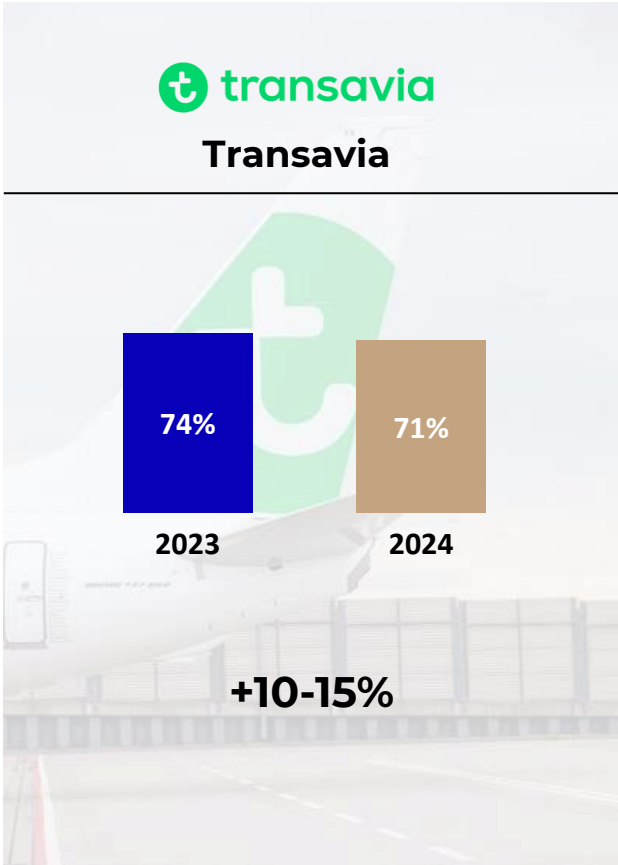
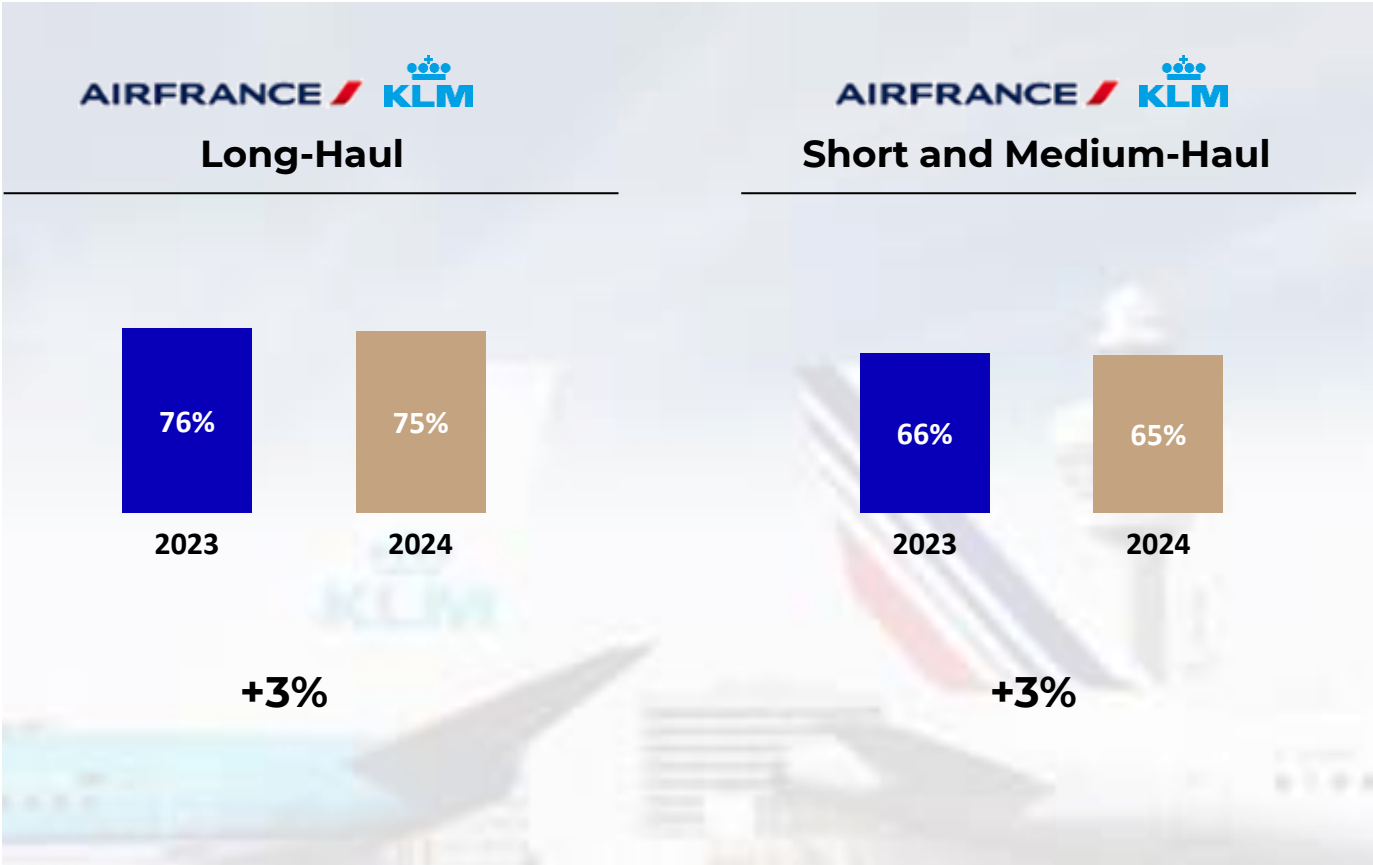
Cost control measures

- Accelerated transformation initiatives on top of the 700 existing ones to further increase cost savings both at Group and airline level via simplification, reduce overhead and create further synergies
- Hiring freeze of support staff (SG&A)
- Stabilizing operations
- New fleet delivery to support unit cost development

1) Against a constant fuel price, constant currency and excluding ETS contribution versus 2023

CONTINUED SOLID TREND IN BOOKINGS WHILE CAPACITY IS RAMPING UP

Q2



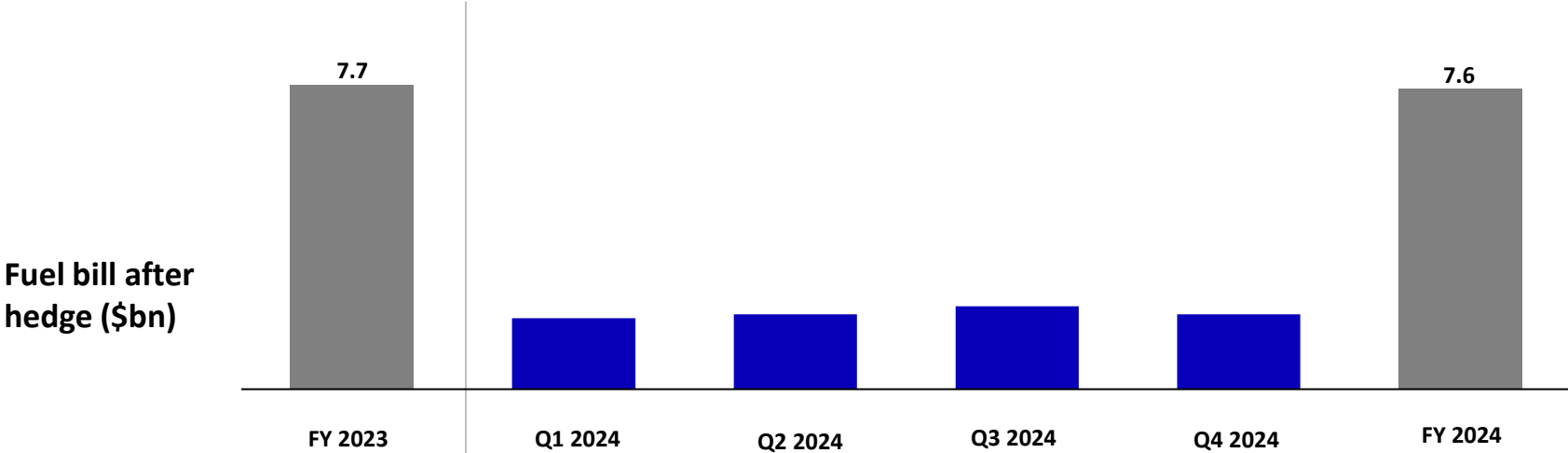
Q2 2024 Capacity (vs. 2023)

■ Forward booking load factor 2023

■ Forward booking load factor 2024

Snapshot of the 25 of April 2023 and 2024

NEW HEDGING POLICY IN PLACE REDUCING EXPOSURE TO UPWARD RISKS IN 2024



		FY 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
Market price	Brent (\$ per bbl)	82	82	87	84	82	84
	Jet fuel (\$ per metric ton)	962	946	918	917	911	922
Price after hedge	Jet fuel (\$ per metric ton)	964	937	910	918	914	919
	% of consumption already hedged	71%	72%	70%	70%	58%	67%
	Hedge result (in \$ m)	-17	18	17	-4	-6	25

**FY 2025
22% hedged**

Based on forward curve at 19 April 2024.
Jet fuel price including into plane cost, excluding SAF premium.

OUTLOOK 2024 CONFIRMED

	FY 2024
Group Capacity	+5% vs. 2023
Unit cost¹	+1% to 2% (Q2: +2%)
Net Capex	€3bn



1) At constant fuel price including SAF, constant currency and excluding Emission Trading Scheme cost (ETS) against 2023

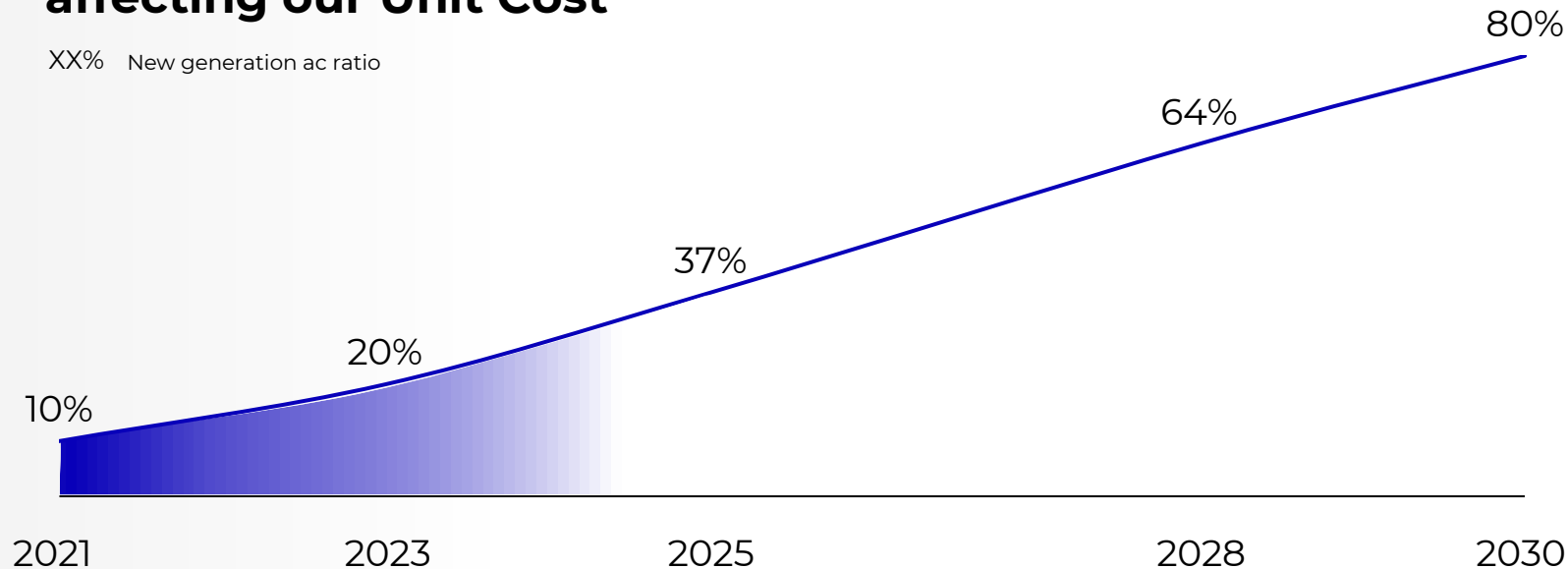
UPDATE & OUTLOOK

Benjamin Smith – Chief Executive Officer Air France-KLM

AIR FRANCE-KLM GROUP SUSTAINABILITY TRACKS ADVANCE ACCORDING TO PLAN

Delivery of **79 new generation aircraft** in 2023-2024 in line with our **sustainability trajectory and positively affecting our Unit Cost**

XX% New generation ac ratio



Our sustainability commitment unwraps according to plan...

- **Delivered in 2023:** 7 A350, 3 787-10, 16 A220, 2 A320/321neo, and 4 E95 E2
- **Ongoing delivery in 2024:** 8 A350, 2 787-10, 9 A220, 24 A320/321neo, and 4 E95 E2

...with our customers embarking on our journey

- Most recent renewal of Airbus corporate SAF contract for Airbus employees travelling on dedicated destinations

Notes: (1) accelerated fleet renewal trajectory of 20.3%, 37%, 64% and 80% in 2023, 2025, 2028 and 2030



STEADY RAMP UP IN PREPARATION FOR AMBITIOUS PEAK SUMMER SEASON, WITH RIGHT LEVERS IN PLACE



Capacity development in line with trajectory to meet peak season demand, supported by strong bookings



Reinforced **robustness of operations across all segments**

Fleet

Crew

Infrastructure

Ressources



Ensuring a flexible commercial strategy to adapt to geopolitical developments in the current context

FOCUS PARIS 2024 OLYMPIC AND PARALYMPIC GAMES: AIR FRANCE IS A PROUD OFFICIAL PARTNER



À VOS MARQUES,
PRÊTS, PARTEZ !



CUSTOMER & OPERATIONS

- Optimized **end-to-end journey with proactive communication**
- Fluid Hub operations with dedicated tracks & task forces

NETWORK & COMMERCIAL

- **Agile commercial strategy** with dedicated program for **delegations**
- **High international demand** during peak weeks of August-September
- **Additional medium and long-haul capacity** across all the platforms

BRAND & PARTNERSHIP

- **Exclusive promotion & communication rights** in passenger air transport category
- **Unique Brand and Partnership activation** levers in the heart of Paris

We are fully engaged to making our operations during the Paris 2024 Olympic & Paralympic Games a strong success

TO CONCLUDE

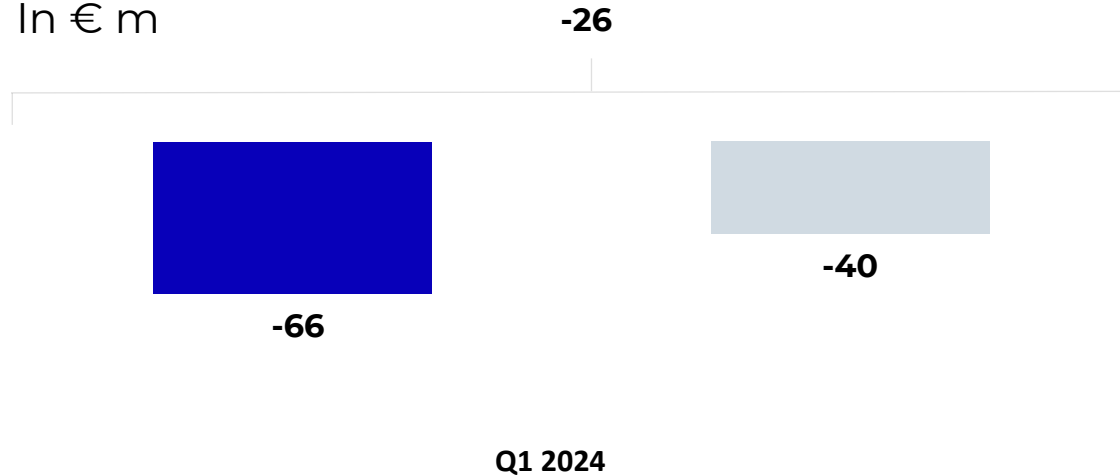
- Despite the challenging start of the year marked by continued geopolitical tensions, operational disruptions and headwinds on our cargo business, **we remain on track for a resilient trajectory for the coming quarters**
- We're actively gearing up for **a busy and promising Summer** for all of our airlines, incl. Transavia whose revenue and yield increase in Q1 provides a good momentum for a strong peak season
- **Our teams are mobilized to deliver a strong operational execution for the Olympic Games in Paris**, a unique opportunity for the Group to showcase its **expertise and customer care excellence**
- We keep **implementing our strategic and environmental roadmap** to deliver our mid-term commitment and financial ambition



APPENDIX

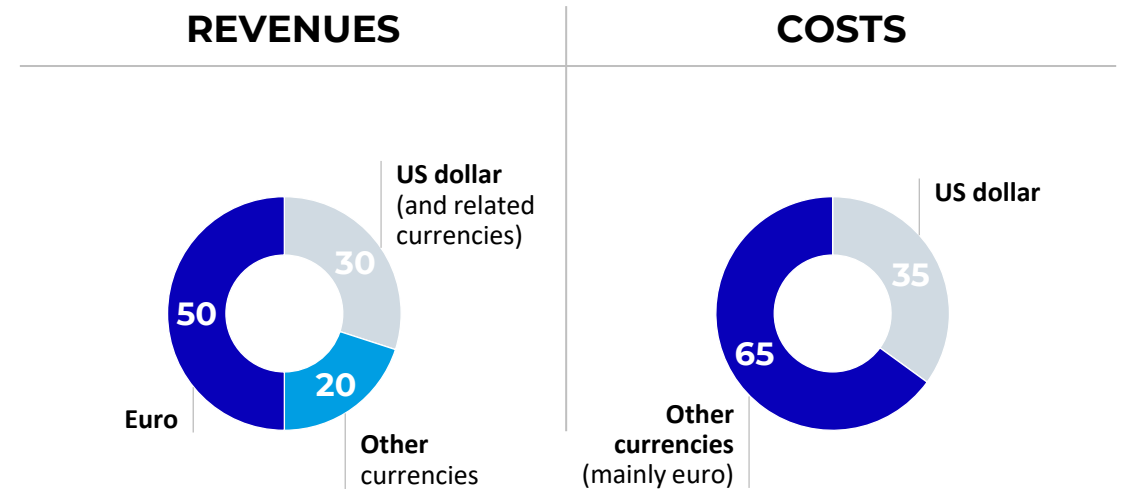
CURRENCY IMPACT ON OPERATING RESULT

Currency impact on revenues and costs In € m



- Currency impact on revenues
- Currency impact on costs, including hedging
- XX** Currency impact on operating result

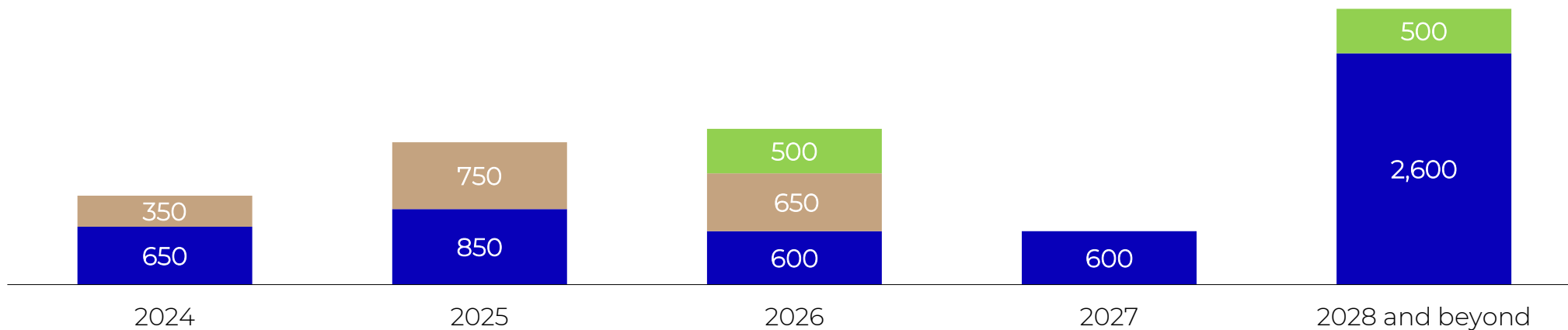
Revenues and costs per currency FY 2023



DEBT REDEMPTION PROFILE AT 31 MARCH 2024

Debt reimbursement profile⁽¹⁾

In €m



Bonds issued by Air France-KLM

May 2024:

AFKL 0.125% (c.€50m, Convertible « Océane »)

June 2024:

AFKL 3.0% €300m

January 2025:

AFKL 1.875% (€750m)

June 2026:

AFKL 3.875% (€500m)

December 2026:

AFKL 4.35% \$145m (€136m)

Other long-term Debt: AF and KLM Secured Debt, mainly "Asset-backed"

Sustainability-Linked Bonds

2026: 7.250% (€500m)

2028: 8.125% (€500m)

(1) Excluding operating lease debt payments, KLM perpetual debt, and Air France perpetual quasi-equity



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