

# Q3 2023 RESULTS

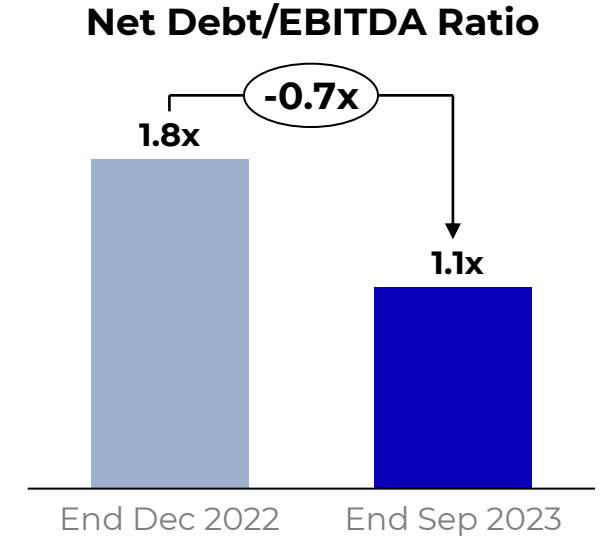
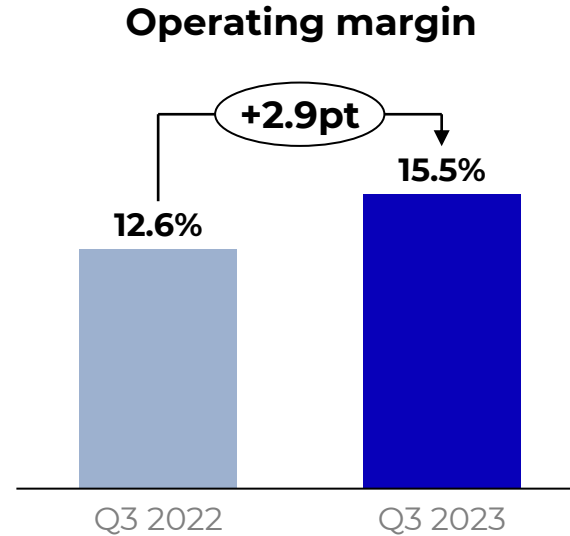
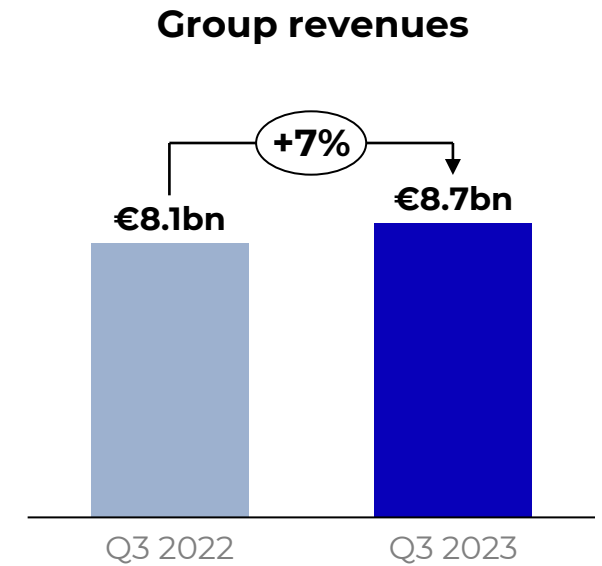
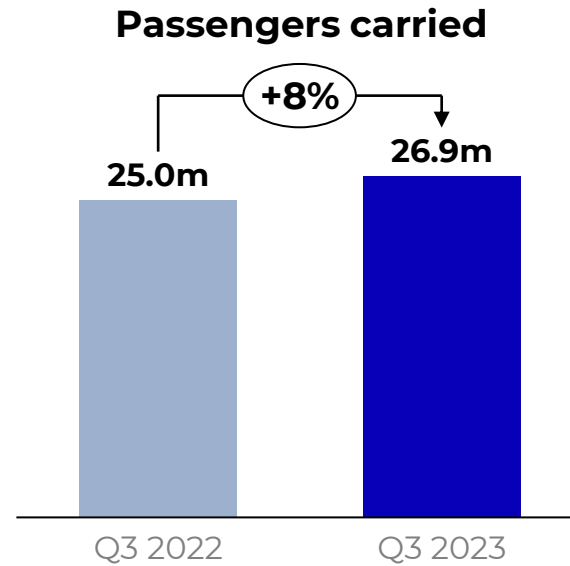
**AIRFRANCE****KLM**  
GROUP

# HIGHLIGHTS Q3 2023

Benjamin Smith – Chief Executive Officer Air France-KLM

# SOLID Q3 RESULTS

- **Revenues up by 7%** driven by strong load factor and capacity increase
- **Record Q3 operating result of €1.3bn** improved by €318m compared to Q3 2022
- **Group operating margin at 15.5%** with all businesses improving
- **Cash<sup>1</sup> at hand increased to €10.2bn**
- **IFRS Equity to be positive by the end of the year**



1) Including RCF

# AIR FRANCE-KLM TO BECOME THE WORLD'S LARGEST A350 OPERATOR THROUGH NEW ORDER FOR 50 A350-900/1000s



-25%  
Lower fuel burn &  
CO<sub>2</sub> emissions

-40%  
Noise emissions

64%  
New gen aircraft in  
the fleet by 2028



A new multi-billion commitment to our Sustainability roadmap



Previously ordered A350s consistently outperformed expectations since entry into service at Air France



Greater versatility & range-payload compatibility for Group long-haul network, improving scheduling robustness and optimization



For the new order, first deliveries expected as early as **Summer 2026**



With this new order for 50 A350-900/1000s, Air France-KLM to operate a **total of 99 A350 aircraft (incl. 8 aircraft for cargo)**

# AIR FRANCE-KLM & AIRBUS ANNOUNCED EXCLUSIVE NEGOTIATIONS TO CREATE A JOINT VENTURE DEDICATED TO A350 COMPONENT SUPPORT

## Optimized offering



Improve **service delivery** to A350 operators worldwide, including Air France-KLM's own fleet

Support includes **supply chain management, repairs,** and creation of a worldwide **pool of aircraft components**

## Strong market potential

Meet **the growing long-term maintenance needs** of the global A350 fleet

More than **1,000 aircraft on order and 550 currently in service** worldwide



## Balanced structure

AIRFRANCE **KLM**  
GROUP

X

AIRBUS

**50-50 joint venture** between Air France and Airbus to combine the expertise of an airline-MRO and an aircraft manufacturer

Involves the **transfer of aircraft components** assets belonging to both partners into the joint venture's pool

## Clearly defined calendar

Objective is for the joint venture to be **operational by the first half of 2024**

In line with all **compliance requirements** and subject to **approval by all relevant authorities**



# SUSTAINED RECOGNITION FOR OUR AIRLINES' COMMITMENT TO CUSTOMERS



## APEX World Class

For the 3<sup>rd</sup> consecutive year  
Only 8 airlines awarded worldwide



## World Travel awards

Europe's leading Airline to Asia 2023



AIRFRANCEKLM  
GROUP

## Improved Q3 Operations

**Best Hub luggage performance** on a peak Summer for Air France

**Improved connection reliability** through longer sold connection times

**Continued hiring of new staff** and increased training capacity

**-14% disruption cost** compared to Q3 last year despite higher capacity



## APEX 5 Stars

For the 2<sup>nd</sup> consecutive year



## World Travel awards

Europe's leading Airline, Brand & First Class

AIRFRANCE



AIRFRANCEKLM  
GROUP

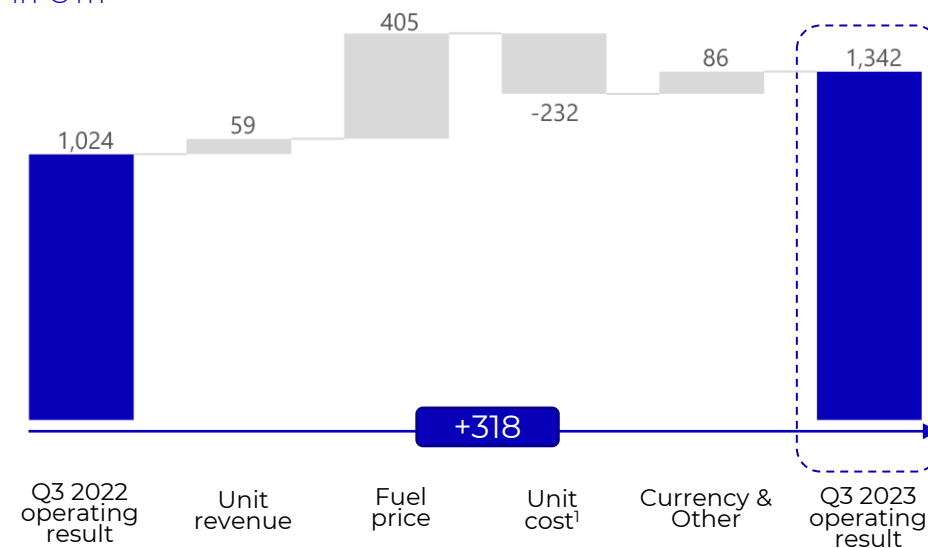
# Q3 2023 FINANCIAL RESULTS

Steven Zaat – Chief Financial Officer Air France-KLM

# STRONG OPERATING RESULT DRIVEN BY LOWER FUEL PRICE AND MAINTAINED HIGH UNIT REVENUE

	Q3 2023	Q3 2022	Change
<b>Revenues (€ m)</b>	<b>8,660</b>	<b>8,112</b>	<b>+6.8%</b>
Operating expenses (€ m)	6,667	6,434	+3.6%
EBITDA (€ m)	1,993	1,677	+18.8%
<b>Operating result (€ m)</b>	<b>1,342</b>	<b>1,024</b>	<b>+31.1%</b>
Operating margin	15.5%	12.6%	+2.9 pt
Net income - Group part (€ m)	931	460	+102.4%

Operating result evolution  
In € m



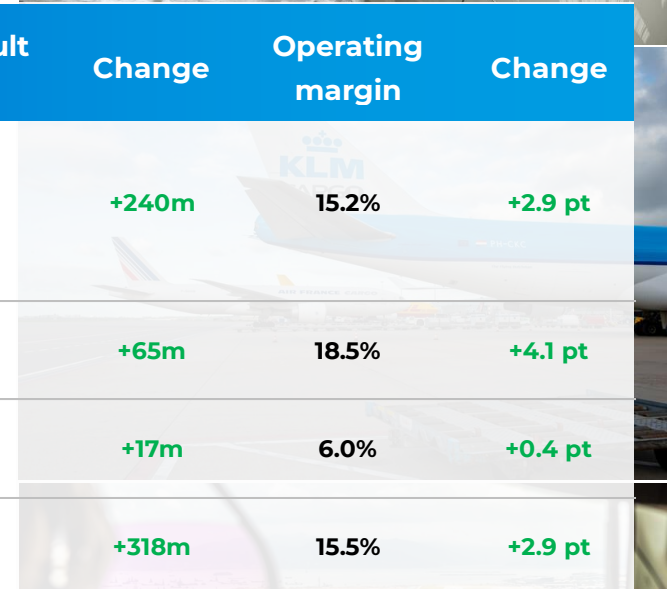
1) Unit cost at constant fuel, constant currency and excluding Q3 2022 furlough(€12m)



# OPERATING MARGIN IMPROVING IN ALL OUR BUSINESSES



Q3 2023 vs Q3 2022		Capacity <sup>1</sup>	Unit Revenue <sup>2</sup> Constant Curr.	Revenues (€ m)	Change	Operating result (€ m)	Change	Operating margin	Change
Network		+4.6%	+5.7%	6,641	+9.3%	1,091	+240m	15.2%	+2.9 pt
		+3.3% <sup>3</sup>	-38.9%	558	-32.8%				
Transavia		+14.0%	+2.2%	1,014	+18.6%	188	+65m	18.5%	+4.1 pt
Maintenance				437	+27.7%	63	+17m	6.0%	+0.4 pt
Group		+6.0%	+0.8%	8,660	+6.8%	1,342	+318m	15.5%	+2.9 pt





Air France-KLM passenger network + cargo = network

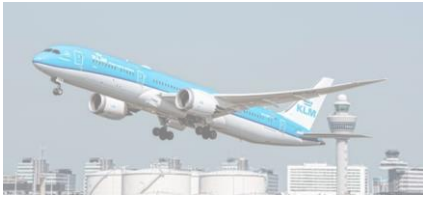
1) Capacity is defined as Available Seat Kilometers (ASK), except for Network Cargo capacity which is Available Ton Kilometers (ATK). Group capacity is defined as Passenger ASK (Network Passenger ASK + Transavia ASK)

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

# BOTH AIRLINES BOOST FURTHER OPERATING MARGIN

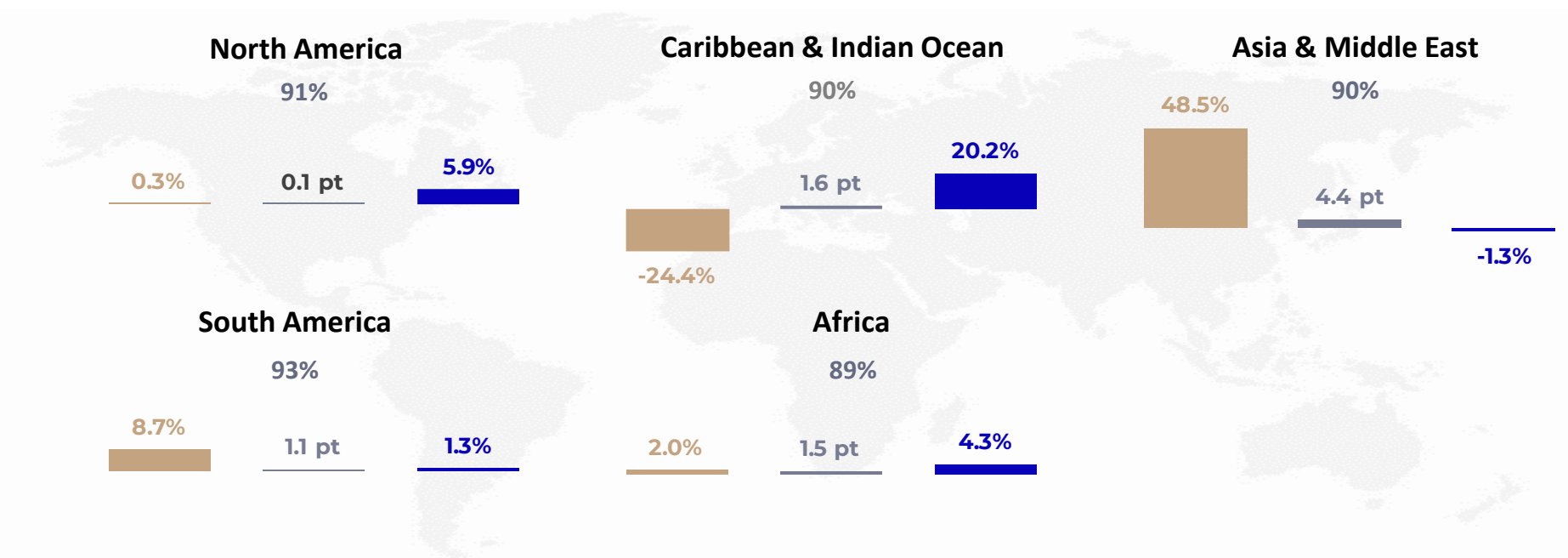
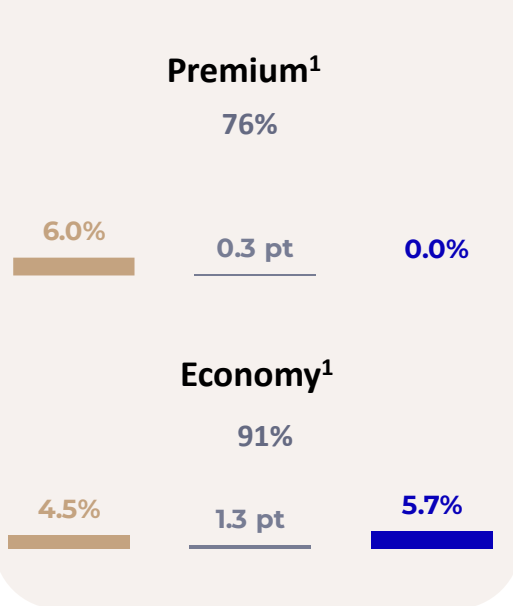
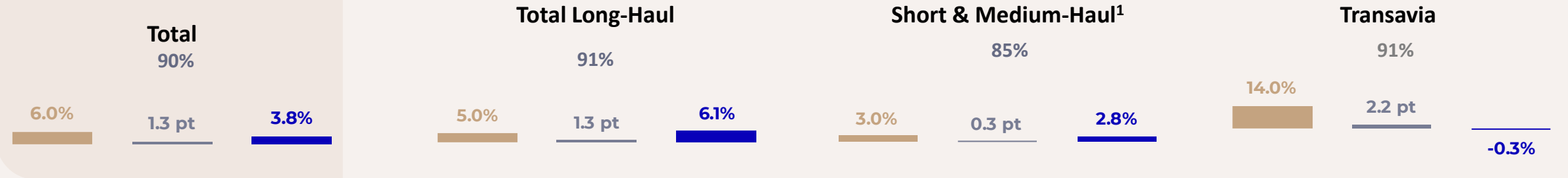
Q3 2023 vs Q3 2022	Capacity change	Revenues (€ m)	Change YoY	Operating result (€ m)	Change YoY	Operating margin	Change YoY
<b>AIRFRANCE</b> 	<b>+7%</b>	5,374	<b>+7%</b>	806	<b>+236</b>	15.0%	<b>+3.6 pt</b>
	<b>+5%</b>	3,425	<b>+6%</b>	539	<b>+96</b>	15.7%	<b>+2.0 pt</b>
<b>AIRFRANCE</b> <b>KLM</b> GROUP	<b>+6%</b>	8,660	<b>+7%</b>	1,342	<b>+318</b>	15.5%	<b>+2.9 pt</b>



NB: Sum of individual airline results does not add up to Air France-KLM total due to intercompany eliminations at Group level

# CONTINUED POSITIVE YIELD DEVELOPMENT ON THE LONG-HAUL

## Q3 2023 vs Q3 2022



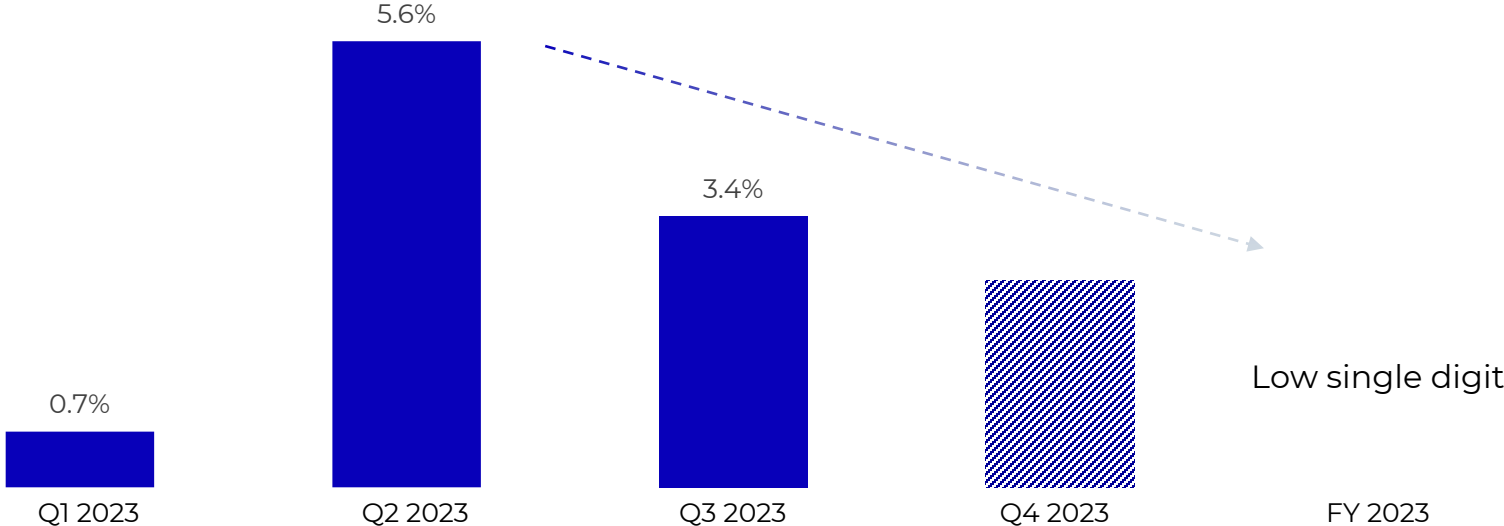
<sup>1</sup>) Air France-KLM network, excluding Transavia

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

# UNIT COST DEVELOPMENT

## 2023 Quarterly unit cost<sup>1</sup> per ASK evolution

In % year-over-year

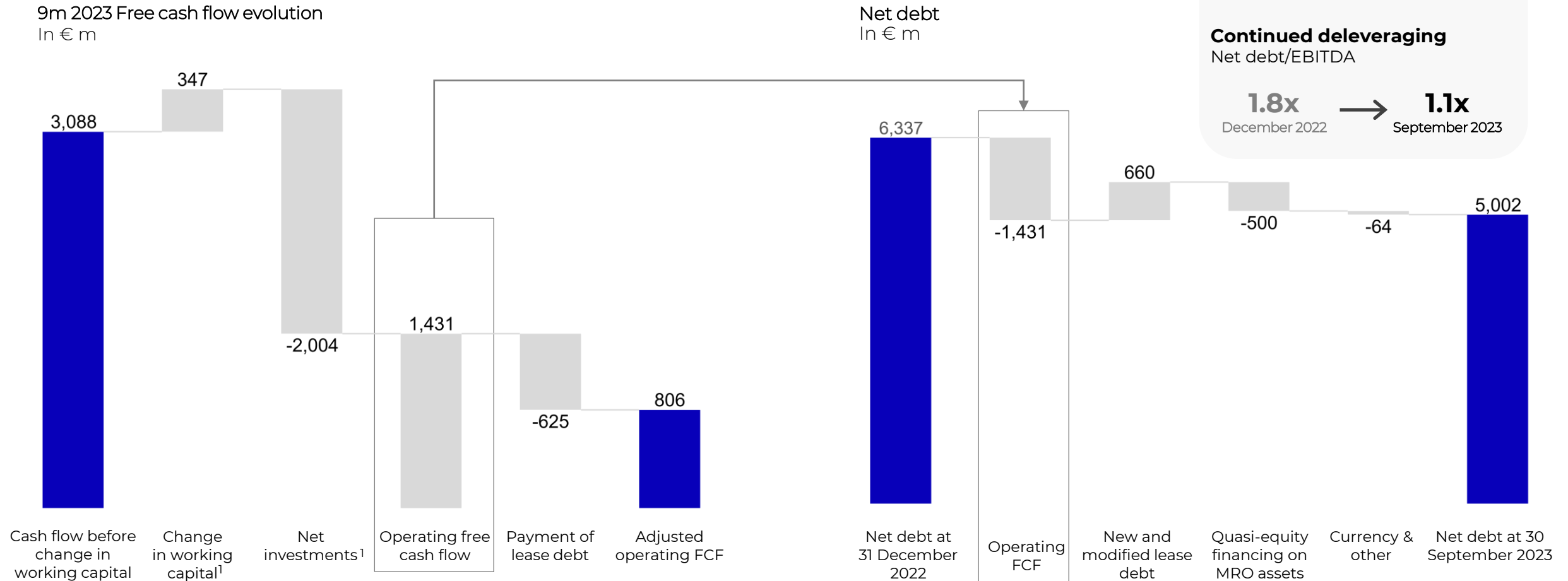


### Unit cost outlook unchanged

In Q4, non-cash impact from employee shareholding plan (IFRS2) expected

1) Against a constant fuel price, constant currency and excluding furlough contribution versus 2022

# 9M: POSITIVE ADJUSTED OPERATING FREE CASH FLOW DRIVEN BY A STRONG EBITDA






1) Following the change in accounting principles for the CO<sub>2</sub> quotas in March 2023, purchases of ETS quotas now appear in the working capital and no longer in the investment cash flows

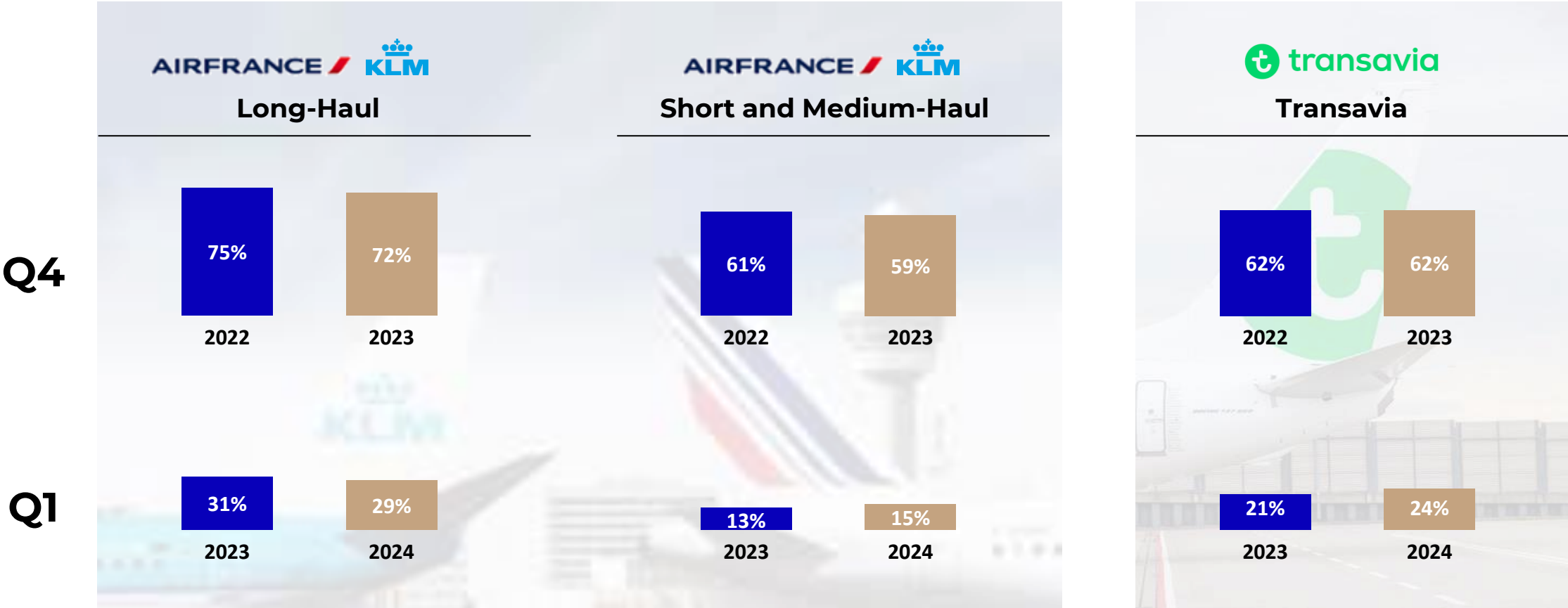
# OUTLOOK

Steven Zaat – Chief Financial Officer Air France-KLM

# FULL YEAR 2023 GROUP CAPACITY OUTLOOK UNCHANGED

Capacity in ASK versus 2019		Q1	Q2	Q3	Q4	FY 2023
	Total network	89%	88%	89%	90-95%	c.90%
	Long Haul	91%	90%	91%	c.95%	c.90%
	Short and medium Haul	79%	83%	88%	c.90%	c.85%
	Transavia	131%	120%	126%	>135%	130-135%
	AF-KLM Group	92%	92%	94%	>95%	c.95%

# LONG-HAUL FORWARD BOOKING LOAD FACTOR SLIGHTLY BEHIND LAST YEAR

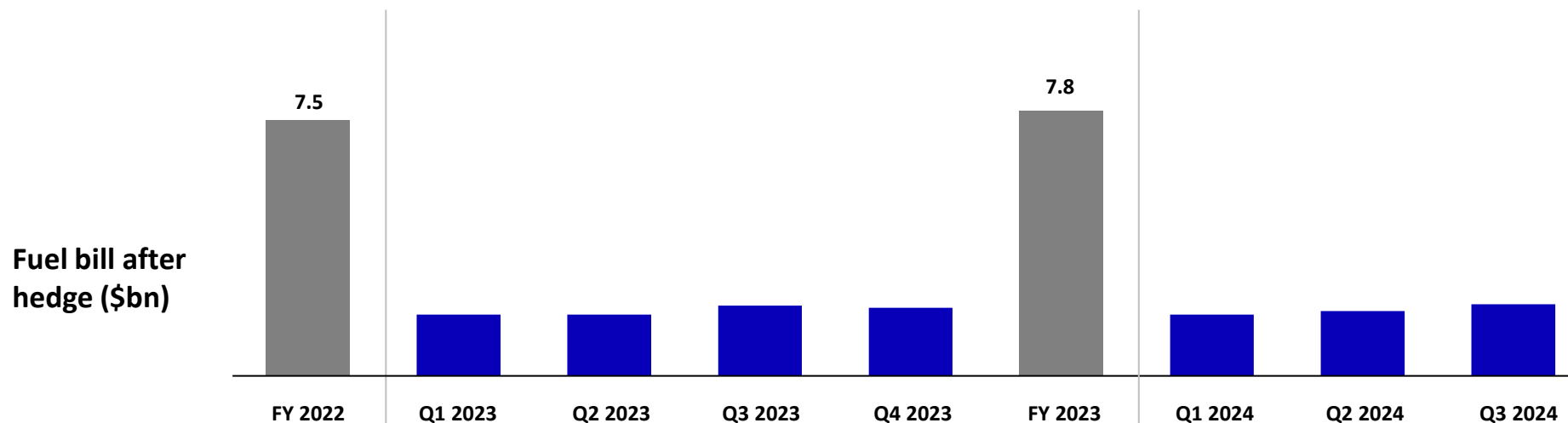


■ Forward booking load factor 2022/2023
 ■ Forward booking load factor 2023/2024

Snapshot of the 23<sup>th</sup> of October 2023 and 2022



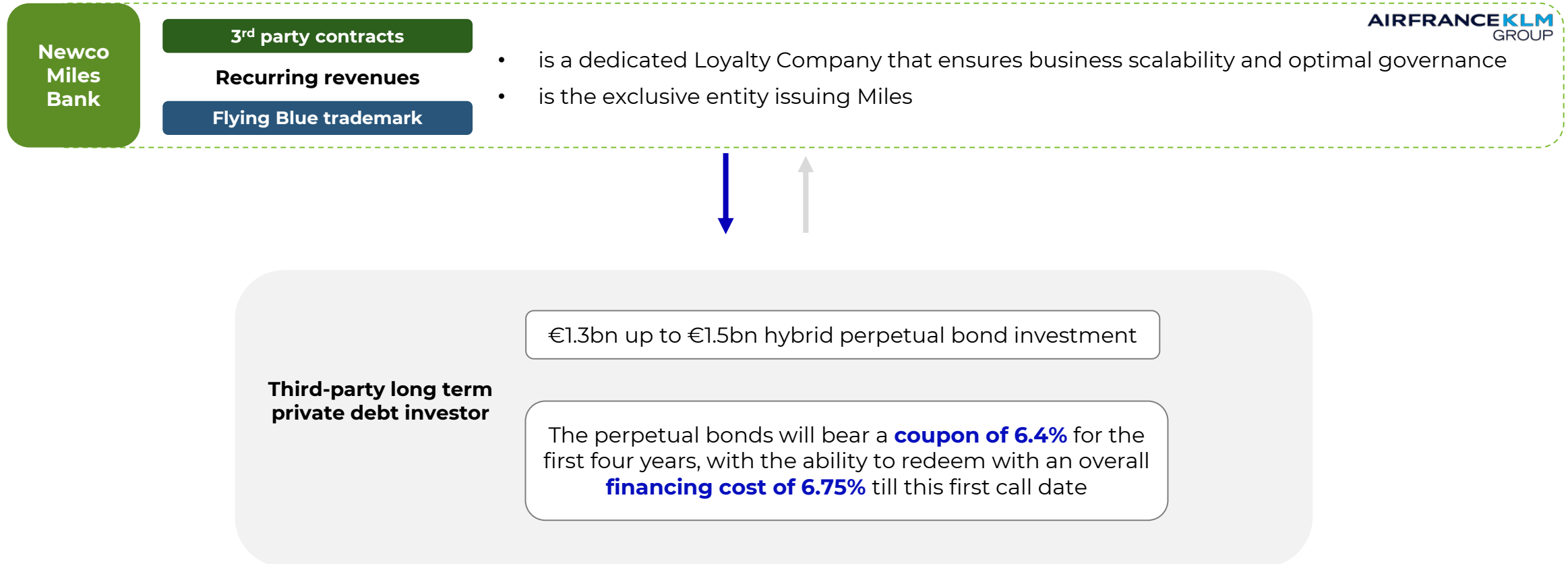
# THE FUEL HEDGING POLICY REMAINS UNCHANGED AND ALREADY MORE THAN 30% HEDGED FOR 2024



		FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024
<b>Market price</b>	Brent (\$ per bbl)	99	82	78	86	90	84	88	86	84
	Jet fuel (\$ per metric ton)	1,166	1,042	849	952	1,057	973	997	965	953
<b>Price after hedge</b>	Jet fuel (\$ per metric ton)	1,033	1,055	882	932	1,026	971	978	953	955
	% of consumption already hedged	73%	73%	71%	71%	70%	71%	64%	42%	29%
	Hedge result (in \$ m)	1,000	-22	-67	44	63	18	37	27	-3

Based on forward curve at 23 October 2023.  
Jet fuel price including into plane cost

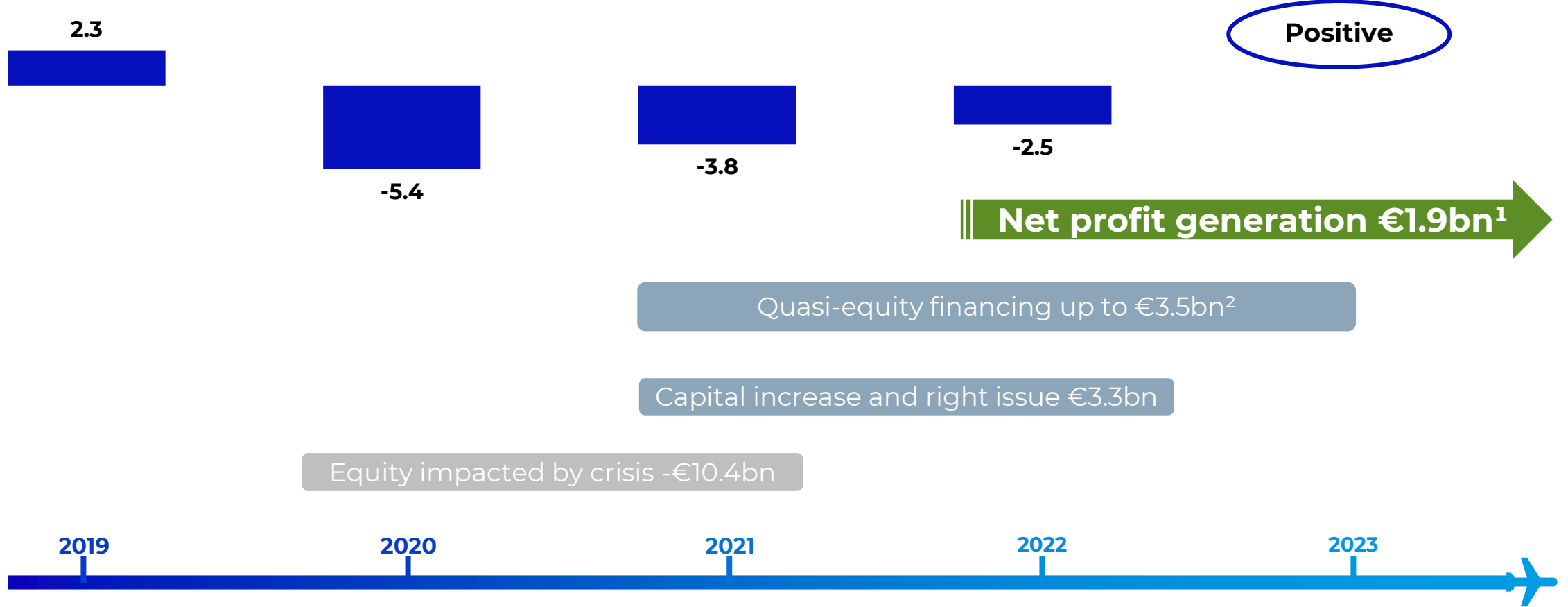
# LEVERAGE THE PROGRAM'S MILES ISSUANCE ACTIVITIES TO RAISE €1.3BN TO UP TO €1.5BN QUASI-EQUITY FINANCING



# WE ARE HEADING TO A POSITIVE EQUITY AT END 2023

## Air France-KLM IFRS equity

(in €bn)



1) 2022 + 9M 2023  
 2) Equity before tax implications

# OUTLOOK 2023 UNCHANGED

	FY 2023
<b>Group Capacity<sup>1</sup></b>	c.95%
<b>Unit cost<sup>2</sup> vs. 2022</b>	Low single digit increase
<b>Net Capex</b>	€3.0bn



1) ASK capacity versus 2019  
2) Against a constant fuel price, constant currency and excluding furlough contribution

# UPDATE & OUTLOOK

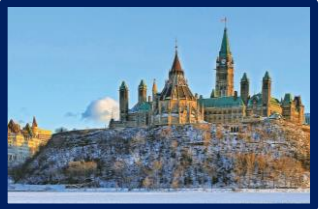
Benjamin Smith – Chief Executive Officer Air France-KLM

# CONTINUOUSLY ADAPT TO MARKET DEMAND AND EXPAND OUR NETWORK FOOTPRINT THROUGH STRATEGIC PARTNERSHIPS

## Air France-KLM Group Winter season network



**Opening of Raleigh-Duram**



**Winter extension of Ottawa and Dar-Es-Salam**



**Further capacity growth<sup>1</sup> in Asia**  
+60% for Air France & +30% for KLM



**Opening of Transavia operations to Dubai** from Lyon and Marseille

## New strategic partnerships



- ✓ Daily operations to **Abu Dhabi**<sup>2</sup>
- ✓ **More than 40 new routes** available for Air France-KLM customers
- ✓ **Full compatibility** of Flying Blue and Etihad Guest loyalty programs



- ✓ **10 years** partnership
- ✓ **Exclusive** code-sharing agreement<sup>3</sup>
- ✓ **Enhanced commercial cooperation**

1) ASK production vs. W22

2) Air France from CDG

3) Full exclusivity pertains to GOL code on BR-EUR flights, and Air France & KLM code on domestic Brazil flights

# AIR FRANCE-KLM TO INVEST IN SAS AB AND DEVELOP COMMERCIAL COOPERATION<sup>1</sup>

## Increased focus on Northern Europe Market ...

### SAS, largest

Scandinavian<sup>2</sup> airline by passengers

Scandinavia ranked  
**4<sup>th</sup> European GDP**  
&  
**5<sup>th</sup> Air France-KLM point of sales<sup>3</sup>**



## ... to leverage further Air France-KLM strength

- ✓ **Air France-KLM to take up to a maximum 19.9% non-controlling stake** in the share capital of the reorganized SAS AB, subject to approvals and conditions
- ✓ **Improve connectivity for European and Scandinavian travelers and enhance the Group's footprint in the highly contributive Scandinavian markets** by setting up a commercial cooperation with SAS AB as soon as feasible (code-sharing, frequent flyer programs, etc.)
- ✓ **Option for Air France-KLM to become a controlling shareholder after a minimum of two years**, subject to among other things, certain regulatory conditions and financial performance

1) Air France-KLM's investment proposal remains to be finalized with other investors and is subject to certain conditions and regulatory approvals in relation to the chapter 11 equity solicitation process including, but not limited to, approval by the U.S. Bankruptcy Court, State aid approvals with respect to the States participation, and the completion of a Swedish company reorganization for SAS AB.

2) Scandinavia includes Denmark, Sweden and Norway

3) Number of passengers, 12-months rolling October 2022 to September 2023

# DOMESTIC NETWORK EVOLUTION FROM PARIS: AN INDISPENSABLE SIMPLIFIED OPERATING MODEL

## Structural changes are underway on French domestic ...

- Individual behaviors & new ways of working
- Corporate travel policies (e.g., scope 3 emissions)
- Government policy & recommendations<sup>1</sup>
- High-speed train attractiveness
- Strong dynamic for low-cost services



**Traffic<sup>2</sup> -40%**  
**Same day round trip<sup>2</sup> -60%**



**A projected EBIT loss of c. €80m in 2023 on the “Navette” routes**

## ... leading to heavy losses despite network shrinking

- Point-to-point network size has been cut by half between 2019 and 2023
- Positive effect but insufficient of the restructuring
- EBIT Margin is getting worse than before Covid crisis



## A simplified operational model for Air France Group at Summer 2026



**Air France operations from Paris mainly concentrated in CDG** as its main base...



... with **one single exception for Air France and Air Corsica JV** for the upcoming Corsica PSO<sup>3</sup>



**ORY will remain Transavia’s main base** with development on domestic routes wherever profitable under study



**Marseille, Nice, Toulouse: a global offer** from Paris with Air France and Transavia maintained **above 90%** of 2023 capacity<sup>4</sup>

**Caribbean / Indian Ocean: an offer** maintained at **100%** from Paris

1) Train in case of alternative with trip duration of less than 4 hours  
 2) Routes between Orly and Marseille, Nice, Toulouse, 2023 vs 2019  
 3) PSO : Public Service Obligation. Should AF/XK be awarded the PSO by the OTC  
 4) Commercial “Air France code share” offer maintained on current PSO destinations from Orly : Aurillac, Brive, Castres, Le Puy, Quimper, Rodez



# CONCLUSION

**Excellent momentum in Q3,  
with significant achievements across the board ...**

... in an environment with new opportunities to  
capture and challenges to take up

- **Record Q3 operating result**, with positive operating margins across all businesses
- **Renewed recognition of our airlines' excellence** and improved operations over the peak season
- Further **acceleration of our fleet renewal roadmap** thanks to landmark order for 50 Airbus A350s
- **Reaffirmed ambition to grow our market share in Maintenance** through new JV with Airbus on A350 component supports
- Successfully closed the quasi-equity financing backed by Flying Blue loyalty program, paving the way for a **positive equity by end 2023**



- **Capacity to keep ramping-up** to accommodate sustained travel demand
- **Operational efficiency and continued transformation efforts** will be key to mitigate inflationary costs and higher fuel prices
- **Reorganization of French domestic network** will be a priority in the quarters ahead
- **Air France-KLM determined to play an active role in the current consolidation trend of the European airline industry**, as evidenced by first transaction announced with SAS AB



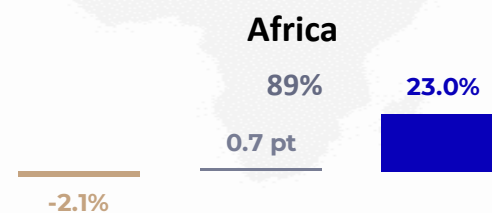
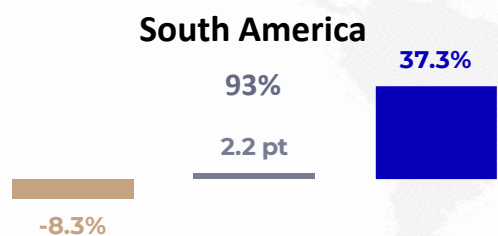
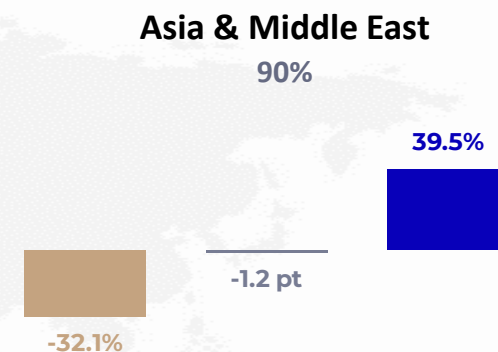
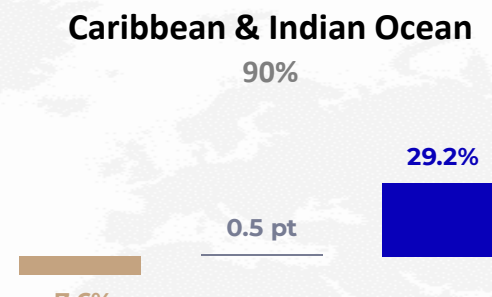
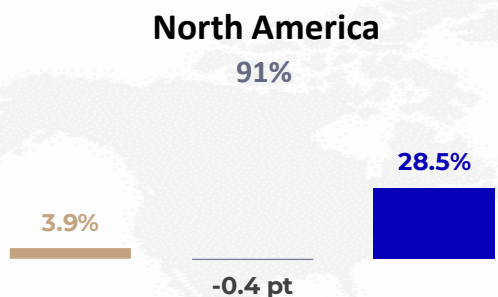
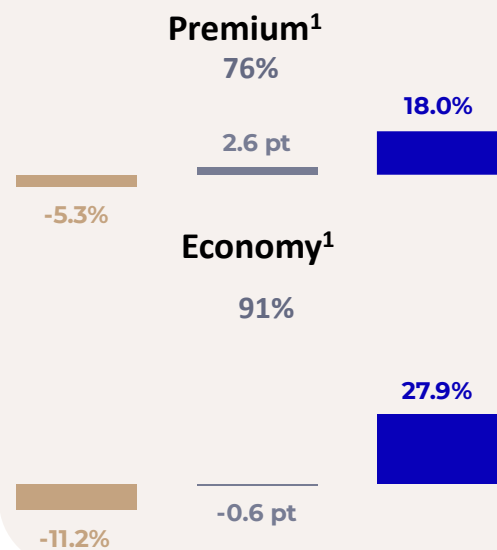
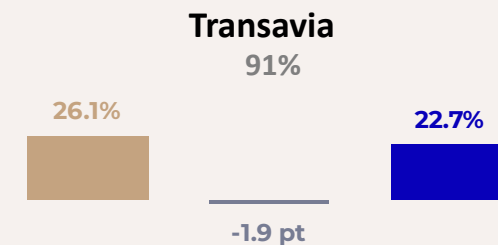
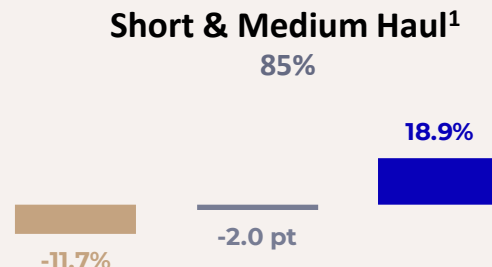
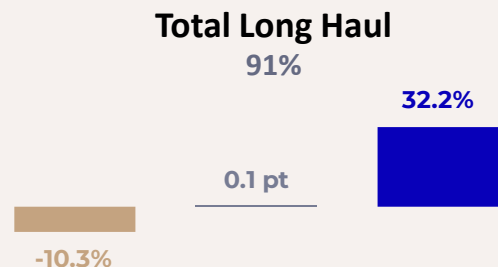
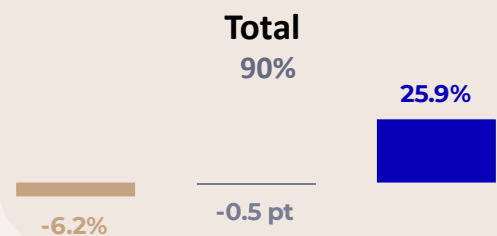
**SAVE THE DATE!**

**AIR FRANCE-KLM 2023 INVESTOR DAY**  
**December 14<sup>th</sup>, 2023**  
**L'Apostrophe, Paris**

# APPENDIX

# YIELD ENVIRONMENT VS 2019

## Q3 2023 vs Q3 2019



ASK

xx pt Load factor change

Yield

xx% Actual Load factor

1) Air France-KLM network, excluding Transavia

# 9M 2023 OPERATING RESULT DEVELOPMENT






	9m 2023	9m 2022	Change
<b>Revenues (€ m)</b>	<b>22,612</b>	<b>19,264</b>	<b>+17.4%</b>
Operating expenses (€ m)	19,005	16,434	+15.6%
EBITDA (€ m)	3,607	2,829	+27.5%
<b>Operating result (€ m)</b>	<b>1,769</b>	<b>1,060</b>	<b>+66.9%</b>
Operating margin	7.8%	5.5%	+2.3 pt
Net income - Group part (€ m)	1,190	232	+412.9%

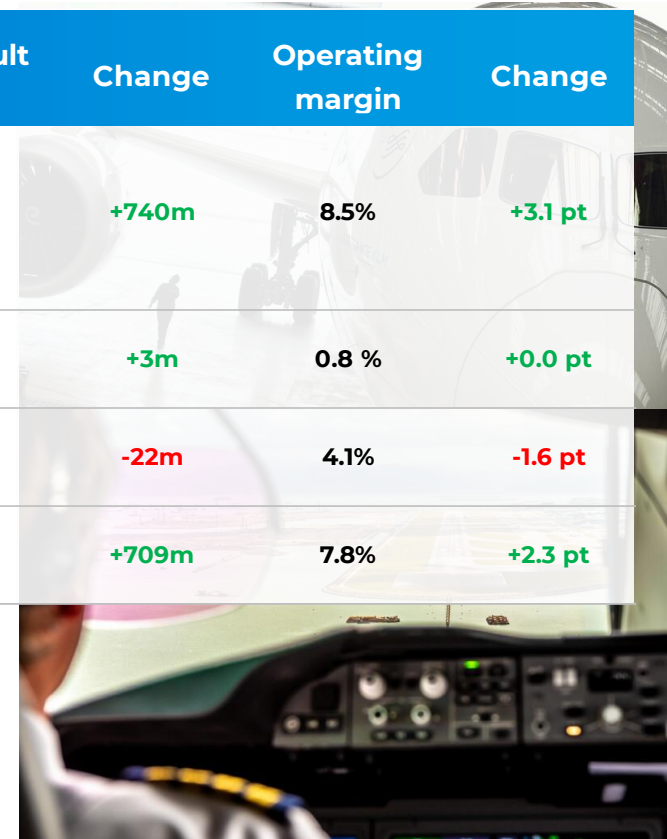
1) Unit cost at constant fuel, constant currency and excluding furlough

# 9M 2023 VERSUS 9M 2022 BUSINESSES PERFORMANCE



## 9m 2023 vs 9m 2022

		Capacity <sup>1</sup>	Unit Revenue <sup>2</sup> Constant Curr.	Revenues (€ m)	Change	Operating result (€ m)	Change	Operating margin	Change
Network		+9.6%	+14.9%	17,457	+25.6%	1,634	+740m	8.5%	+3.1 pt
		+6.6% <sup>3</sup>	-38.3%	1,837	-30.9%				
Transavia		+17.2%	+4.6%	2,104	+23.4%	16	+3m	0.8 %	+0.0 pt
Maintenance				1,190	+20.9%	125	-22m	4.1%	-1.6 pt
Group		+10.6%	+6.5%	22,612	+17.4%	1,769	+709m	7.8%	+2.3 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)

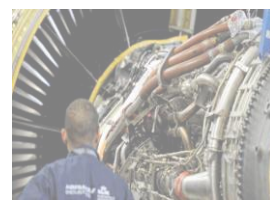
2) Unit revenues = revenue per ASK, Cargo unit revenues = Cargo revenue per ATK, Group unit revenue = (Network traffic revenues + Transavia traffic revenues) / (Network Passenger ASK + Transavia ASK).

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



# 9M 2023 VERSUS 9M 2022 AIRLINES PERFORMANCE

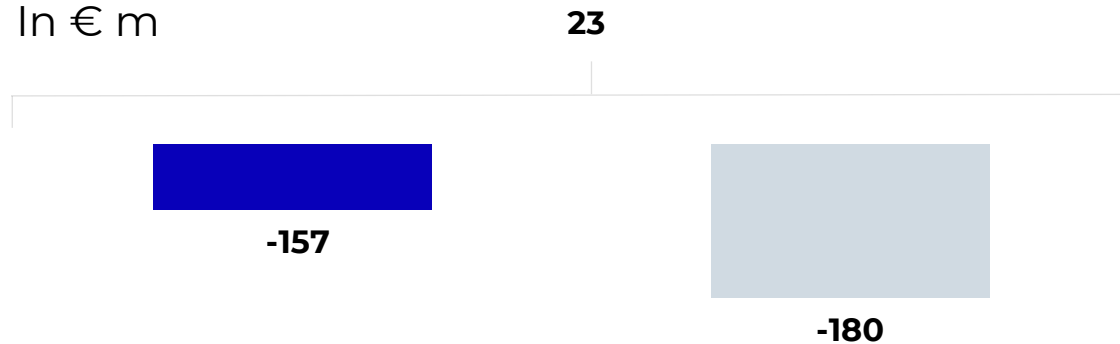
9m 2023 vs 9m 2022	Capacity change	Revenues (€ m)	Change YoY	Operating result (€ m)	Change YoY	Operating margin	Change YoY
<b>AIRFRANCE</b> 	<b>+12%</b>	13,966	<b>+19%</b>	1,107	<b>+767</b>	7.9%	<b>+5.0 pt</b>
	<b>+9%</b>	9,058	<b>+14%</b>	668	<b>-40</b>	7.4%	<b>-1.6 pt</b>
<b>AIRFRANCE</b> <b>KLM</b> GROUP	<b>+11%</b>	22,612	<b>+17%</b>	1,769	<b>+709</b>	7.8%	<b>+2.3 pt</b>



NB: Sum of individual airline results does not add up to Air France-KLM total due to intercompany eliminations at Group level

# CURRENCY IMPACT ON OPERATING RESULT

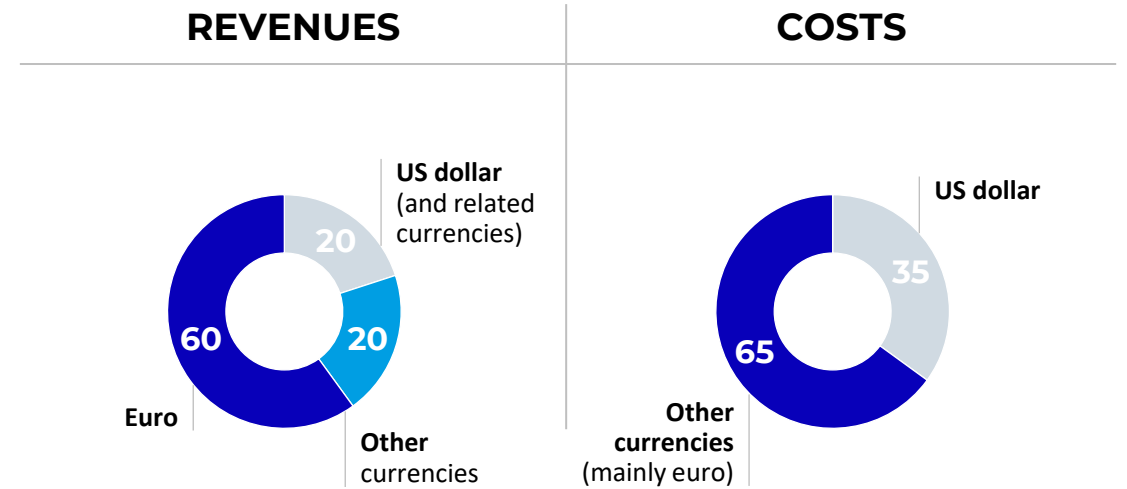
## Currency impact on revenues and costs In € m



Q3 2023

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

## Revenues and costs per currency FY 2022

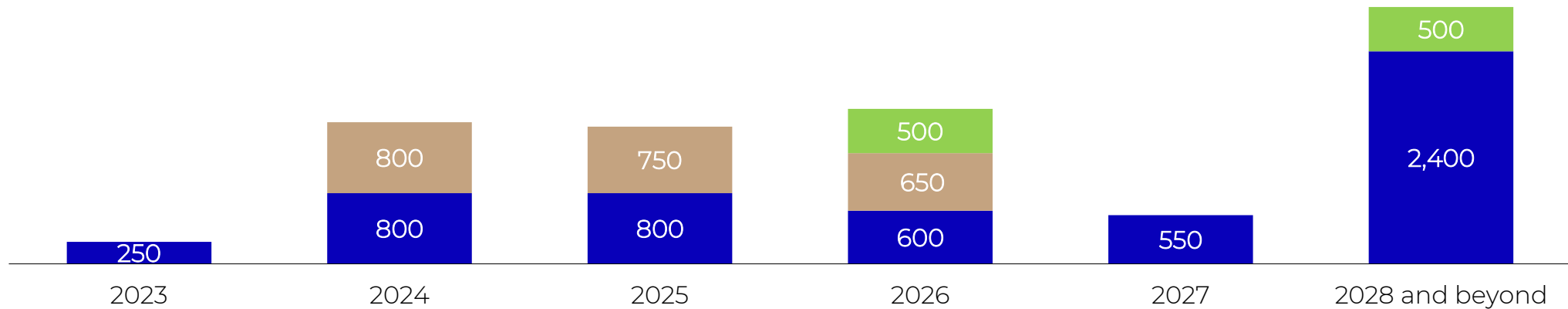




# DEBT REDEMPTION PROFILE AT 30 SEPTEMBER 2023

## Debt reimbursement profile<sup>(1)</sup>

In €m



### Bonds issued by Air France-KLM

#### March 2024:

AFKL 0,125% (€500m, 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



## Investor Relations department

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