

July 29, 2022

Second QUARTER 2022
Strong results driven by a spike in demand**Second quarter:**

- Positive operating result at 386 million euros
- Net income at 324 million euros, showing a 1.8 billion euros improvement compared to the same quarter last year
- Positive adjusted operating free cash flow at 1.5 billion euros thanks to positive EBITDA and strong ticket sales. It improved by 1.3 billion euros compared to the same quarter in 2021
- The Group has already successfully achieved 2.8 billion euros of equity measures of the up to 4 billion announced last February
- Air France-KLM/Air France redeemed 1.6 billion euros of the French State perpetual bonds (including coupon). KLM fully repaid the State backed RCF and direct Dutch State loan amounting for 942 million euros
- Net debt at 6.0 billion euros, down by 2.2 billion euros compared to end of 2021 thanks to a positive adjusted operating free cash flow and the rights issue completed in June 2022

Mr. Benjamin Smith, Group CEO, said:

“The strong recovery we see this summer is putting the entire aviation industry to the test. While Air France-KLM had prepared for close to pre-pandemic demand levels, our airlines are not immune to the major operational challenges taking place around the world. Customer satisfaction is at the top of our priorities and we know we have not fully been able to deliver the quality of service that has come to be expected from us. I would like to thank our customers for their trust and patience. I would also like to express my gratitude towards our employees for their unwavering commitment, even in difficult situations. It is thanks to their dedication and sense of collective responsibility that we are able to post better-than-expected revenues and results this quarter. Going forward we will continue to implement our strategy in order to further transform our organization. We aim to increase our resilience to the changes of our environment while continuing to accelerate our efforts to make our Group and aviation as a whole more sustainable.”

Outlook:**Context:**

Air France and KLM are among the most active airlines to accommodate the travel recovery, with a second quarter capacity for Network passenger activity at an index of 82%. Despite the summer growth anticipation efforts since January, operational difficulties arose in Europe and the United States, mainly due to labour shortages at airports.

Air France and KLM are doing their utmost to mitigate these challenges and has prioritised safeguarding the trust of our customers. For this quarter, it resulted into 70 million euros additional compensation costs.

Capacity

In this recovery context, the Group expects the capacity in Available Seat Kilometers for Air France-KLM Network passenger activity at an index of:

- 80% to 85% in the Third quarter of 2022
- 85% to 90% in the Fourth quarter of 2022
- Circa 80% for the Full Year 2022

All indices compared to the respective period of 2019.

The capacity for Transavia in Available Seat Kilometers is expected at an index above 100 for the full year and in the third and fourth quarter 2022 compared to 2019.

Yield

The yield environment should remain high for the rest of 2022 with a strong summer demand resulting in yield levels above 2019.

Expected operating result

- Significantly positive in the third quarter
- Positive in 2022, for the first time since 2019

Cash

As of June 30 2022, the Group has a strong 11.9 billion euros of liquidity and credit lines at disposal.

Full year 2022 Net Capex spending is estimated at circa 2.5 billion euros, which is 80% fleet & fleet related and 20% IT & Ground related.

Air France-KLM made major steps to pave the financial trajectory

- In February, Air France-KLM announced plans for a set of equity strengthening measures up to 4 billion euros.
- Later in June, the Group successfully completed a 2.3 billion euros rights issue, with CMA-CGM becoming a new strategic shareholder and a reference commercial partner in the cargo activity. Air France-KLM / Air France redeemed 1.6 billion euros of the French State perpetual bonds (including coupon), aiming to redeem at least 75% as soon as possible.
- In the meantime, KLM fully repaid the State backed RCF and direct Dutch State loan amounting for 942 million euros. 2.4 billion euros RCF and State Loan is still available, and KLM expects to strengthen its balance sheet with positive net results and further equity measures are being contemplated.
- Air France-KLM and Apollo have closed on the 28th July an investment of 500 million euros by Apollo Funds to finance an ad hoc affiliate of Air France owning a pool of spare engines, as per the agreement signed on July 13th. In alignment with the requirement of article 77 bis of the European Commission's "Temporary Framework for State aid recapitalization measures", proceeds from the investment will be used to further redeem outstanding French State perpetual bonds issued in late April 2021.
- Later in 2022-2023, the Group will contemplate possible hybrid bond issuances up to 1.2 billion euros subject to market conditions.

The restoration of negative equity will be done through net profit generation and quasi/equity projects.

Air France-KLM Group: Second quarter operating margin at 2019 level despite the steep increase of fuel cost

	Second quarter			Half year		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Passengers (thousands)	22,803	+224.5%		37,326	+215.0%	
Capacity (ASK m)	72,127	+81.9%		130,192	+75.3%	
Traffic (RPK m)	61,365	+243.4%		104,499	+227.7%	
Passenger unit revenue per ASK (€ cts)	7.41	+93.6%	+89.1%	6.51	+91.8%	+87.9%
Group unit revenue per ASK (€ cts)	8.52	+46.1%	+42.1%	7.73	+41.4%	+38.0%
Group unit cost per ASK (€ cts) at constant fuel	7.98	+3.2%	-12.7%	7.71	-4.6%	-15.6%
Revenues (€m)	6,707	+143.9%	+138.7%	11,152	+127.1%	+123.8%
EBITDA (€m)	931	1,180	1,186	1,152	2,029	2,050
Operating result (€m)	386	1,139	1,145	36	1,970	1,989
Operating margin (%)	5.8%	+33.1 pt	+32.8 pt	0.3%	+39.7 pt	+39.5 pt
Net income - Group part (€m)	324	+1,813		-228	+2,744	
Adj. operating free cash flow (€m)	1,532	+1,322		2,163	+3,297	
Net debt at end of period (€m) ¹				6,036	-2,180	

¹ Change versus 31 Dec 2021

In the Second quarter 2022, the Air France-KLM Group posted a positive operating result of 386 million euros, up by 1,145 million euros at a constant currency compared to last year, and was driven by an increase of capacity. In parallel, the increase of load factor and yield generated an increase of the unit revenue.

Net income amounted to 324 million euros in the Second quarter 2022, an increase of 1.8 billion euros compared to last year. The recognition of tax assets at KLM group for an amount of around 300 million euros supported the positive net income generation.

In a challenging cost environment, transformation programs contain the unit cost up 2.4% with 15% capacity below 2019.

The unit cost is up 2.4% at a constant fuel price and constant currency versus the Second quarter 2019, with a capacity down by 15%. The ongoing transformation programs enable Air France-KLM to limit the impact of increasing costs such as airport and ATC charges, and the KLM Collective Labour Agreement (CLA) delayed implementation.

Compared to June 2019, the number of Full Time Equivalents (FTE's) of Air France excluding Transavia reduced by 16% and by 13% for KLM.

Staff costs decreased in the Second quarter by 11% compared to the same quarter in 2019 thanks to FTE reduction and the French government support on wages. Corrected for government support on wages, staff costs decreased by 9%.

Business review

Network: Significant improvement in operating result

Network	Second quarter			Half year		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Total revenues (€m)	5,753	+143.5%	+137.4%	9,647	+128.6%	+123.6%
Scheduled revenues (€m)	5,532	+153.0%	+145.7%	9,207	+136.1%	+130.2%
Operating result (€m)	352	+1,006	+1,013	43	+1,758	+1,773

Second quarter 2022 revenues increased by 137.4% at constant currency to 5,753 million euros. The operating result amounted to 352 million euros, a 1,013 million euros increase at constant currency compared to last year.

Passenger network: Double-digit yield increase on most regions and on both economy and premium cabins

Passenger network	Second quarter			Half year		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Passengers (thousands)	17,556	+199.9%		29,497	+185.8%	
Capacity (ASK m)	61,697	+69.4%		114,268	+63.2%	
Traffic (RPK m)	52,479	+229.4%		91,346	+211.1%	
Load factor	85.1%	+41.3 pt		79.9%	+38.0 pt	
Total passenger revenues (€m)	4,835	+229.3%	+223.4%	7,818	+214.3%	+209.6%
Scheduled passenger revenues (€m)	4,732	+239.9%	+231.3%	7,610	+223.0%	+216.0%
Unit revenue per ASK (€ cts)	7.67	+100.7%	+95.6%	6.66	+97.9%	+93.6%

Second quarter 2022, capacity in Available Seat Kilometers (ASK) was 69.4% higher than last year and at 82% of 2019 Second quarter level which was in the middle of the Group's guidance provided during the First quarter 2022 results presentation.

In response to the rise in fuel prices and other external costs, the Group proceeded to different fare increases during the first half of the year across all long-haul flights. The amount of the increase varies according to destination and class of travel, and applies to flights operated by Air France and KLM. Additionally, the spike in travel demand, the strong performance in Premium cabins, and the solid corporate traffic recovery have all led to a yield above the 2019 level in the second quarter.

The Second quarter result is driven by a strong performance of the entire network:

- North Atlantic: Strong improvement since mid-January driven by the strong traffic recovery, with strong yield due to fare increases and a positive cabin mix. The second quarter showed new bookings outpacing 2019 levels.
- Capacity discipline on South America routes combined with a very resilient demand led to a strong yield. Corporate traffic ramped up quickly in the same time.
- Asia: The strong yield performance is due to limited capacity and the group continues to observe important differences between the regions. South East Asia and India showed positive dynamic in yield and traffic.
- Caribbean & Indian Ocean: The yields improved thanks to successive fare increases and a positive cabin mix effect.
- Africa: A strong corporate recovery was observed in all areas. For KLM, the performance was driven by East and South Africa with strong yield increase linked to positive cabin mix and a positive economy yield evolution. For Air France, performance was driven by West and Central African countries with a good steering strategy.
- Middle-East: The second quarter performance stayed strong thanks to Dubai, especially on premium cabins and an increased traffic on some routes.
- Medium-haul: Strong booking dynamic since March. KLM is impacted by operational challenges and restrictions on flight departures from Amsterdam which led to traffic restriction. The yield is above 2019, especially on leisure routes with network capacity constraints and a positive competition environment.
- Short-haul: The network was able to absorb capacity recovery month over month thanks to business motive dynamism. Yield is above 2019 helped by steering yield initiatives.

During the Second quarter, Air France added three Airbus 350-900 and two Airbus A220-300. One B777-200, one Airbus 320, three Airbus 319, two Embraer 170 and five Canadair Jet 1000 were phased out. KLM phased in three Embraer 195 E2. The Group will continue to introduce new generation aircraft to its fleet in order to improve its economic and environmental performance.

Cargo: Strong yield increase mitigates traffic impact on Asia trade lanes

Cargo business	Second quarter			Half year		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Tons (thousands)	236	-13.4%		472	-12.7%	
Capacity (ATK m)	3,341	+27.4%		6,315	+18.9%	
Traffic (RTK m)	1,732	-17.2%		3,497	-16.1%	
Load factor	51.8%	-27.9 pt		55.4%	-23.1 pt	
Total Cargo revenues (€m)	918	+2.6%	-1.1%	1,828	+5.5%	+2.2%
Scheduled cargo revenues (€m)	801	+0.7%	-2.8%	1,597	+3.5%	+0.4%
Unit revenue per ATK (€ cts)	23.96	-20.9%	-23.7%	25.29	-13.0%	-15.5%

Compared to the Second quarter 2021, cargo capacity strongly increased by 27.4% in Available Ton Kilometers, mainly due to the increase in worldwide belly capacity, except for Asia. This limited belly capacity to Asia affected the overall traffic which resulted in a traffic decrease of 17.2% and contributed to an overall decrease in load factor by 27.9 points. Yields, however, remain at a consistently high level (+17.4% vs. 2021), leading to a total Second quarter revenue performance at last year's level.

When compared to the pre-COVID year 2019, cargo capacity in the Second quarter was still 8% below 2019. However, due to exceptional yield performance – driven by high demand – total revenues in the Second quarter of 2022 were 76% higher than 2019.

In May, Air France-KLM announced its entry into a strategic partnership with CMA-CGM Air Cargo (CCAC). The partnership agreement is currently being worked out and expected to be finalized before the end of 2022.

In June, Air France-KLM Cargo won the Air Cargo Industry Achievement Award for their pioneering work in the development and distribution of sustainable aviation fuel and the fast expansion of its leading SAF program.

Transavia: Capacity above pre-crisis level with a load factor of 85%

Transavia	Second quarter		Half year	
	2022	Change	2022	Change
Passengers (thousands)	5,247	+346.8%	7,828	+412.8%
Capacity (ASK m)	10,430	+221.9%	15,924	+274.6%
Traffic (RPK m)	8,886	+358.2%	13,154	+421.6%
Load factor	85.2%	+25.3 pt	82.6%	+23.3 pt
Total passenger revenues (€m)	601	+378.0%	850	+422.2%
Unit revenue per ASK (€ cts)	5.86	+51.0%	5.41	+41.2%
Unit cost per ASK (€ cts)	6.04	-12.5%	6.11	-31.9%
Operating result (€m)	-18	+80	-110	+108

In the Second quarter of 2022, the demand recovery in leisure traffic in Europe and North Africa continued. Compared to last year, the capacity in the Second quarter increased by 221.9%, traffic increased by 358.2%, and the number of passengers increased by 346.8%. Last year, Second quarter was heavily impacted by travel restrictions in Europe and North Africa.

The Operating result was slightly negative at -18 million euros, although improved by 80 million euros compared to the Second quarter of 2021.

Capacity in the Second quarter was above the level of the Second quarter of 2019 and unit revenue even above the Second quarter 2019 mainly driven by a strong yield improvement.

The fleet of Transavia is approaching 100 aircraft, to further capture the strong demand of leisure traffic in Europe.

Maintenance business: Operating margin above 2019 level

Maintenance	Second quarter			Half year		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Total revenues (€m)	911	+34.1%		1,742	+33.9%	
Third-party revenues (€m)	345	+35.1%	+35.3%	642	+25.0%	+30.0%
Operating result (€m)	57	60	61	101	111	117
Operating margin (%)	6.3%	+6.7 pt	+6.8 pt	5.8%	+6.6 pt	+7.1 pt

The Second quarter operating result stood at 57 million euros, an increase of 61 million euros at constant currency versus the Second quarter 2021 thanks to a higher activity and an operational improvement.

Total revenues increased by 34.1% in the Second quarter while third party revenues increased by 35.1%, showing a strong recovery. The increase in internal revenues is consistent with the activity increase of the Air France-KLM airlines compared to the Second quarter 2021.

The operating margin stood at 6.3%, which is 6.7 points higher than the operating results in the Second quarter 2021. The half year margin amounts to 5.8%, which is at the level of the pre-covid period when excluding the states support.

During the second quarter, Air France-KLM and Apollo Global Management announced the signing of a definitive agreement for Apollo managed funds and entities to make a 500 million euros investment in to an ad hoc operating affiliate of Air France that will own a pool of spare engines dedicated to the airline's Engineering and Maintenance activities.

Second quarter: Positive EBITDA and strong ticket sales reinforces the adjusted operating free cash flow and supports net debt reduction by 2.2 billion euros

In € million	Second quarter		Half year	
	2022	Change	2022	Change
Cash flow before change in WCR and Voluntary Departure Plans, continuing operations (€m)	785	+1,237	841	+2,083
Cash out related to Voluntary Departure Plans (€m)	-68	+12	-125	+0
Change in Working Capital Requirement (WCR) (€m)	1,510	+299	2,835	+1,715
Net cash flow from operating activities (€m)	2,239	1,525	3,620	3,787
Net investments* (€m)	-482	-195	-1,015	-481
Operating free cash flow (€m)	1,757	+1,330	2,605	3,306
Repayment of lease debt	-225	-8	-442	-9
Adjusted operating free cash flow**	1,532	+1,322	2,163	+3,297

* Sum of 'Purchase of property, plant and equipment and intangible assets' and 'Proceeds on disposal of property, plant and equipment and intangible assets' as presented in the consolidated cash flow statement.

** The "Adjusted operating free cash flow" is operating free cash flow after deducting the repayment of lease debt.

The Group generated an adjusted operating free cash flow in the Second quarter 2022 of 1,532 million euros, an increase of 1,322 million euros compared to last year, mainly driven by a positive change in working capital of 1,510 million euros. This was the fifth quarter in a row that the adjusted operating free cash flow was positive.

In € million	30 Jun 2022	31 Dec 2021
Net debt	6,036	8,216
EBITDA <i>trailing 12 months</i>	2,773	745
Net debt/EBITDA <i>trailing 12 months</i>	2.2 x	11.0 x

Both airlines able to reach positive operating margin

	Second quarter		Half year	
	2022	Change	2022	Change
Air France Group Operating result (€m)	133	+700	-230	+1,179
<i>Operating margin (%)</i>	3.3%	+37.8 pt	-3.4%	+43.8 pt
KLM Group Operating result (€m)	262	+447	266	+787
<i>Operating margin (%)</i>	9.4%	+24.8 pt	5.7%	+30.1 pt

- Significant improvement in Operating result for both airlines with operating margins close to 2019 levels

The external auditors carried out limited review procedures. Their limited review report was issued following the Board meeting.

The results presentation is available at www.airfranceklm.com on July 29, 2022 from 7:15 am CET.

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Income Statement

€m	Second quarter			Half year		
	2022	2021*	Change	2022	2021*	Change
Revenues from ordinary activities	6,707	2,750	+143.9%	11,152	4,910	+127.1%
Aircraft fuel	-1,863	-520	+258.3%	-2,858	-982	+191.0%
Chartering costs	-93	-78	+19.2%	-193	-147	+31.3%
Landing fees and air route charges	-436	-245	+78.0%	-784	-460	+70.4%
Catering	-176	-68	+158.8%	-319	-126	+153.2%
Handling charges and other operating costs	-401	-211	+90.0%	-722	-402	+79.6%
Aircraft maintenance costs	-603	-447	+34.9%	-1,118	-792	+41.2%
Commercial and distribution costs	-230	-72	+219.4%	-384	-131	+193.1%
Other external expenses	-368	-254	+44.9%	-702	-552	+27.2%
Salaries and related costs	-1,820	-1,238	+47.0%	-3,343	-2,406	+38.9%
Taxes other than income taxes	-34	-29	+17.2%	-80	-69	+15.9%
Other income and expenses	248	163	+52.1%	503	280	+79.6%
EBITDA	931	-249	nm	1,152	-877	nm
Amortization, depreciation and provisions	-545	-504	+8.1%	-1,116	-1,057	+5.6%
Income from current operations	386	-753	nm	36	-1,934	nm
Sales of aircraft equipment	39	-11	nm	39	-14	nm
Other non-current income and expenses	-10	-849	-98.8%	-15	-853	-98%
Income from operating activities	415	-1,613	nm	60	-2,801	nm
Cost of financial debt	-136	-149	-8.7%	-277	-339	-18.3%
Income from cash and cash equivalent	1	2	-50.0%	0	3	-100.0%
Net cost of financial debt	-135	-147	-8.2%	-277	-336	-17.6%
Other financial income and expenses	-238	5	nm	-286	-85	+236.5%
Income before tax	42	-1,755	nm	-503	-3,222	-84.4%
Income taxes	283	272	+4.0%	278	263	+5.7%
Net income of consolidated companies	325	-1,483	nm	-225	-2,959	-92.4%
Share of profits (losses) of associates	0	-9	-100.0%	-1	-16	-93.8%
Net income for the period	325	-1,492	nm	-226	-2,975	-92.4%
Non-controlling interests	1	-3	nm	2	-3	nm
Net income for the period – Group part	324	-1,489	nm	-228	-2,972	-92.3%

* Restated figures include the change in accounting principles for pensions (interpretation of IAS19)

Consolidated Balance Sheet

Assets		
<i>€m</i>	30 Jun 2022	31 Dec 2021
Goodwill	223	222
Intangible assets	1,213	1,235
Flight equipment	10,521	10,466
Other property, plant and equipment	1,358	1,402
Right-of-use assets	5,439	5,148
Investments in equity associates	108	109
Other non-current financial assets	1,064	951
Non-current derivatives financial assets	304	143
Deferred tax assets	494	278
Total non-current assets	20,724	19,954
Assets held for sale	78	74
Other current financial assets	589	484
Current derivatives financial assets	954	469
Inventories	654	567
Trade receivables	2,045	1,511
Other current assets	1,133	966
Cash and cash equivalents	8,173	6,658
Total current assets	13,626	10,729
Total assets	34,350	30,683
Liabilities and equity		
<i>In million euros</i>		
	30 Jun 2022	31 Dec 2021
Issued capital	2,571	643
Additional paid-in capital	5,217	4,949
Treasury shares	-25	-25
Perpetual bonds	1,389	3,151
Reserves and retained earnings	-12,349	-12,542
Equity attributable to equity holders of Air France-KLM	-3,197	-3,824
Non-controlling interests	10	8
Total Equity	-3,187	-3,816
Pension provisions	1,558	1,939
Non-current return obligation liability and other provisions	4,272	4,055
Non-current financial liabilities	10,568	11,274
Non-current lease debt	3,335	2,924
Non-current derivatives financial liabilities	1	25
Deferred tax liabilities	3	1
Other non-current liabilities	2,465	2,555
Total non-current liabilities	22,202	22,773
Current return obligation liability and other provisions	838	885
Current financial liabilities	1,079	1,215
Current lease debt	851	825
Current derivatives financial liabilities	42	46
Trade payables	2,821	1,850
Deferred revenue on ticket sales	4,938	2,644
Frequent flyer programs	868	888
Other current liabilities	3,896	3,369
Bank overdrafts	2	4
Total current liabilities	15,335	11,726
Total equity and liabilities	34,350	30,683

Statement of Consolidated Cash Flows from 1st January until 30 June 2022

€m	30 Jun 2022	30 Jun 2021*
Net income	-226	-2,975
Amortization, depreciation and operating provisions	1,116	1,057
Financial provisions	69	58
Loss (gain) on disposals of tangible and intangible assets	-40	14
Loss (gain) on disposals of subsidiaries and associates	-	-26
Derivatives – non monetary result	-20	-29
Unrealized foreign exchange gains and losses, net	240	86
Impairment	17	15
Other non-monetary items	-90	762
Share of (profits) losses of associates	1	16
Deferred taxes	-282	-265
Financial Capacity	785	-1,287
(Increase) / decrease in inventories	-79	12
(Increase) / decrease in trade receivables	-437	-268
Increase / (decrease) in trade payables	971	138
Increase / (decrease) in advanced ticket sales	2,276	489
Change in other receivables and payables	104	749
Change in working capital requirement	2,835	1,120
Net cash flow from operating activities	3,620	-167
Acquisition of subsidiaries, of shares in non-controlled entities	-	2
Purchase of property, plant and equipment and intangible assets	-1,491	-1,099
Proceeds on disposal of subsidiaries, of shares in non-controlled entities	-	71
Proceeds on disposal of property, plant and equipment and intangible assets	476	565
Decrease (increase) in net investments, more than 3 months	6	85
Dividends received	1	-
Net cash flow used in investing activities	-1,008	-376
Increase of equity	1,551	1,024
Perpetual	-993	-
Coupons on perpetual	-229	-
Issuance of debt	552	690
Repayment on debt	-1,187	-750
Payments on debt on lease with bargain option	-228	-385
Payments on lease debt	-442	-433
New loans	-175	-37
Repayment on loans	16	44
Net cash flow from financing activities	-1,135	153
Effect of exchange rate on cash and cash equivalents and bank overdrafts (net of cash acquired or sold)	40	1
Change in cash and cash equivalents and bank overdrafts	1,517	-389
Cash and cash equivalents and bank overdrafts at beginning of period	6,654	6,422
Cash and cash equivalents and bank overdrafts at end of period	8,171	6,033

* Restated figures include the change in accounting principles for pensions (interpretation of IAS19)

Return on capital employed (ROCE)

<i>In million euros</i>	30 Jun 2022	31 Mar 2022	31 Dec 2021	30* Sep 2021	30* Jun 2021	31* Mar 2021	31* Dec 2020	30* Sep 2020
Goodwill and intangible assets	1,437	1,473	1,457	1,456	1,464	1,479	1,445	1,470
Flight equipment	10,521	10,537	10,466	10,478	10,645	10,800	11,031	11,009
Other property, plant and equipment	1,358	1,378	1,402	1,418	1,453	1,476	1,548	1,535
Right of use assets	5,393	5,205	5,148	5,061	5,033	4,795	4,678	4,789
Investments in equity associates	108	107	109	172	166	223	230	224
Financial assets excluding marketable securities and financial deposits	162	158	157	147	147	146	146	135
Provisions, excluding pension, cargo litigation and restructuring	-4,471	-4,239	-4,173	-4,180	-4,033	-4,083	-3,922	-4,002
WCR, excluding market value of derivatives	-11,156	-9,589	-8,262	-7,995	-7,745	-6,410	-6,505	-6,894
Capital employed	3,352	5,030	6,304	6,557	7,130	8,426	8,651	8,266
Average capital employed (A)	5,311				8,118			
Adjusted results from current operations	344				-4,119			
- Dividends received	0				0			
- Share of profits (losses) of associates	-12				-45			
- Normative income tax	-80				1,211			
Adjusted result from current operations after tax (B)	252				-2,953			
ROCE, trailing 12 months (B/A)	4.7%				-36.4%			

* Restated figures include the change in accounting principles for pensions (interpretation of IAS19)

Net debt

€m	Balance sheet at	
	31 Jun 2022	31 Dec 2021
Current and non-current financial liabilities	11,647	12,489
Current and non-current lease debt	4,186	3,749
Accrued interest	-122	-128
Deposits related to financial liabilities	-96	-99
Deposits related to lease debt	-96	-85
Derivatives impact on debt	-60	-14
Gross financial debt (A)	15,459	15,912
Cash and cash equivalents	8,173	6,658
Marketable securities	85	189
Cash secured	424	324
Triple A bonds	743	529
Bank overdrafts	-2	-4
Net cash (B)	9,423	7,696
Net debt (A) – (B)	6,036	8,216

Adjusted operating free cash flow

€m	Second quarter		Half year	
	2022	2021	2022	2021
Net cash flow from operating activities	2,239	714	3,620	-167
Investment in property, plant, equipment and intangible assets	-787	-632	-1,491	-1,099
Proceeds on disposal of property, plant, equipment and intangible assets	305	345	476	565
Operating free cash flow	1,757	427	2,605	-701
Payments on lease debt	-225	-217	-442	-433
Adjusted operating free cash flow	1,532	210	2,163	-1,134

Bridge from EBITDA to Financial capacity

	Second quarter		First Half	
	2022	2021*	2022	2021*
EBITDA	931	-249	1,152	-877
Provisions (CO2 and other)	-27	-70	-16	-28
Correction of spare parts inventory	1	2	3	3
Addition to pension provisions	33	60	65	137
Reversal to pension provisions (cash-out)	-19	-40	-32	-83
Sales of tangible and intangible assets (excluding aeronauticals)	31	70	31	31
Income from operation activities - cash impact	950	-227	1,203	-817
Restructuring costs	-68	-80	-125	-125
Other non-current income and expenses	-	-63	-2	-63
Cost of financial debt	-139	-134	-283	-302
Financial income	-3	-3	-8	-7
Realized foreign exchanges gain/loss	-11	20	3	47
Termination of trading hedges - cash	-	-1	-	-8
Settlements of forwards derivatives - cash	-	-2	-	-2
Current income tax	-	1	-4	-2
Other financial charges & expenses - cash	-	-8	-	-8
Other elements	-	-	1	-
Financial capacity	729	-497	785	-1,287

* Restated figures include the change in accounting principles for pensions (interpretation of IAS19)

Unit cost: net cost per ASK

	Second quarter		Half year	
	2022	2021*	2022	2021*
Revenues (in €m)	6,707	2,750	11,152	4,910
Income/(loss) from current operations (in €m) -/-	-386	753	-36	1,934
Total operating expense (in €m)	6,321	3,503	11,116	6,844
Passenger network business – other revenues (in €m)	-103	-77	-208	-131
Cargo network business – other revenues (in €m)	-117	-99	-231	-190
Third-party revenues in the maintenance business (in €m)	-345	-255	-642	-514
Transavia - other revenues (in €m)	10	-	12	-
Third-party revenues of other businesses (in €m)	-8	-6	-13	-13
Net cost (in €m)	5,758	3,066	10,034	5,997
Capacity produced, reported in ASK*	72,127	39,657	130,192	74,254
Net cost per ASK (in € cents per ASK)	7.98	7.73	7.71	8.08
<i>Gross change</i>		3.2%		-4.6%
Currency effect on net costs (in €m)		-70		-118
<i>Change at constant currency</i>		0.9%		-6.4%
Fuel price effect (in €m)		492		668
Net cost per ASK on a constant currency and fuel price basis (in € cents per ASK)	7.98	9.15	7.71	9.14
<i>Change at constant currency and fuel price basis</i>		-12.7%		-15.6%

* Restated figures include the change in accounting principles for pensions (interpretation of IAS19)

(1) The capacity produced by the transportation activities is combined by adding the capacity of the Passenger network (in ASK) to that of Transavia (in ASK).

Group results

Air France Group

	Second quarter		Half year	
	2022	Change	2022	Change
Revenue (in €m)	4,062	+146.7%	6,743	+125.8%
EBITDA (in €m)	444	+726	422	+1,217
Operating result (in €m)	133	+700	-230	+1,179
<i>Operating margin (%)</i>	3.3%	+37.8 pt	-3.4%	+43.8 pt
Operating cash flow before WCR and restructuring cash out (in €m)	343	+741	255	+1,274
<i>Operating cash flow (before WCR and restructuring) margin</i>	8.4%	+32.6 pt	3.8%	+37.9 pt

KLM Group

	Second quarter		Half year	
	2022	Change	2022	Change
Revenue (in €m)	2,782	+130.5%	4,685	+119.2%
EBITDA (in €m)	495	+462	729	+807
Operating result (in €m)	262	+447	266	+787
<i>Operating margin (%)</i>	9.4%	+24.8 pt	5.7%	+30.1 pt
Operating cash flow before WCR and restructuring cash out (in €m)	469	+525	667	+836
<i>Operating cash flow (before WCR and restructuring) margin</i>	16.9%	+21.5 pt	14.2%	+22.2 pt

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

Group fleet at 30 June 2022

Aircraft type	AF (incl. HOP)	KL (incl. KLC & MP)	Transavia	Owned	Finance lease	Operating lease	Total	In operation	Change / 31/12/21
B777-300	43	16		19	16	24	59	59	
B777-200	19	15		27		7	34	33	-3
B787-9	10	13		4	7	12	23	23	
B787-10		6		2	4		6	5	
A380-800	8			4	1	3	8		
A350-900	18			3	7	8	18	18	6
A330-300		5				5	5	5	1
A330-200	15	6		11		10	21	21	
Total Long-Haul	113	61	0	70	35	69	174	164	4
B737-900		5		5			5	5	
B737-800		31	95	33	8	85	126	126	10
B737-700		10	4	7		7	14	14	
A321	19			11		8	19	19	
A320	41			4	4	33	41	40	-2
A319	25			12		13	25	24	-4
A318	12			6		6	12	11	-1
A220-300	10			7		3	10	9	3
Total Medium-Haul	107	46	99	85	12	155	252	248	6
Canadair Jet 1000	9			9			9	6	-5
Canadair Jet 700									
Embraer 195 E2		12				12	12	12	5
Embraer 190	19	30		16	5	28	49	49	2
Embraer 175		17		3	14		17	17	
Embraer 170	13			10		3	13	13	-2
Embraer 145	2			2			2		
Total Regional	43	59	0	40	19	43	102	97	0
B747-400ERF		3		3			3	3	
B747-400BCF		1		1			1	1	
B777-F	2					2	2	2	
Total Cargo	2	4	0	4	0	2	6	6	0
Total	265	170	99	199	66	269	534	515	10

SECOND QUARTER 2022 TRAFFIC

Passenger network activity*

Total Passenger network*	Q2			Year to date		
	2022	2021	Variation	2022	2021	Variation
Passengers carried ('000s)	17,556	5,853	199.9%	29,497	10,321	185.8%
Revenue pax-kilometers (m RPK)	52,479	15,931	229.4%	91,346	29,362	211.1%
Available seat-kilometers (m ASK)	61,697	36,417	69.4%	114,268	70,003	63.2%
Load factor (%)	85.1%	43.7%	41.3	79.9%	41.9%	38.0
Long-haul						
Passengers carried ('000s)	5,771	1,769	226.2%	10,155	3,338	204.2%
Revenue pax-kilometers (m RPK)	42,070	12,199	244.9%	74,396	23,163	221.2%
Available seat-kilometers (m ASK)	49,285	30,625	60.9%	92,525	59,951	54.3%
Load factor (%)	85.4%	39.8%	45.5	80.4%	38.6%	41.8
North America						
Passengers carried ('000s)	2,289	423	440.6%	3,530	698	406.1%
Revenue pax-kilometers (m RPK)	16,330	3,113	424.6%	25,386	5,143	393.6%
Available seat-kilometers (m ASK)	19,139	9,005	112.5%	32,291	16,068	101.0%
Load factor (%)	85.3%	34.6%	50.8	78.6%	32.0%	46.6
Latin America						
Passengers carried ('000s)	767	171	347.8%	1,442	366	294.2%
Revenue pax-kilometers (m RPK)	7,215	1,650	337.3%	13,726	3,514	290.7%
Available seat-kilometers (m ASK)	8,144	5,165	57.7%	15,801	10,457	51.1%
Load factor (%)	88.6%	32.0%	56.6	86.9%	33.6%	53.3
Asia / Middle East						
Passengers carried ('000s)	859	327	163.0%	1,493	601	148.2%
Revenue pax-kilometers (m RPK)	6,117	2,190	179.2%	10,508	4,038	160.2%
Available seat-kilometers (m ASK)	7,390	7,103	4.0%	14,610	14,348	1.8%
Load factor (%)	82.8%	30.8%	51.9	71.9%	28.1%	43.8
Africa						
Passengers carried ('000s)	936	537	74.1%	1,751	954	83.6%
Revenue pax-kilometers (m RPK)	5,568	2,948	88.9%	10,360	5,214	98.7%
Available seat-kilometers (m ASK)	6,839	5,287	29.4%	13,137	10,088	30.2%
Load factor (%)	81.4%	55.8%	25.7	78.9%	51.7%	27.2
Caribbean / Indian Ocean						
Passengers carried ('000s)	920	310	196.5%	1,939	719	169.8%
Revenue pax-kilometers (m RPK)	6,840	2,298	197.7%	14,415	5,255	174.3%
Available seat-kilometers (m ASK)	7,773	4,065	91.2%	16,687	8,990	85.6%
Load factor (%)	88.0%	56.5%	31.5	86.4%	58.4%	27.9
Short and Medium-haul						
Passengers carried ('000s)	11,784	4,084	188.5%	19,342	6,983	177.0%
Revenue pax-kilometers (m RPK)	10,409	3,731	179.0%	16,950	6,199	173.4%
Available seat-kilometers (m ASK)	12,412	5,792	114.3%	21,743	10,052	116.3%
Load factor (%)	83.9%	64.4%	19.4	78.0%	61.7%	16.3

* Air France and KLM

Transavia activity

Transavia	Q2			Year to date		
	2022	2021	Variation	2022	2021	Variation
Passengers carried ('000s)	5,247	1,175	346.8%	7,828	1,527	412.8%
Revenue pax-kilometers (m RPK)	8,886	1,939	358.2%	13,154	2,522	421.6%
Available seat-kilometers (m ASK)	10,430	3,240	221.9%	15,924	4,251	274.6%
Load factor (%)	85.2%	59.9%	25.3	82.6%	59.3%	23.3

Total group passenger activity**

Total group**	Q2			Year to date		
	2022	2021	Variation	2022	2021	Variation
Passengers carried ('000s)	22,803	7,028	224.5%	37,326	11,848	215.0%
Revenue pax-kilometers (m RPK)	61,365	17,870	243.4%	104,499	31,884	227.7%
Available seat-kilometers (m ASK)	72,127	39,657	81.9%	130,192	74,254	75.3%
Load factor (%)	85.1%	45.1%	40.0	80.3%	42.9%	37.3

** Air France, KLM and Transavia

Cargo activity

Total Group	Q2			Year to date		
	2022	2021	Variation	2022	2021	Variation
Revenue tonne-km (m RTK)	1,731	2,087	(17.0%)	3,497	4,161	(16.0%)
Available tonne-km (m ATK)	3,341	2,623	27.4%	6,315	5,311	18.9%
Load factor (%)	51.8%	79.6%	(27.7)	55.4%	78.3%	(23.0)

Air France activity

Total Passenger network activity	Q2			Year to date		
	2022	2021	Variation	2022	2021	Variation
Passengers carried ('000s)	10,344	3,606	186.8%	17,449	6,652	162.3%
Revenue pax-kilometers (m RPK)	30,995	9,155	238.6%	54,082	17,723	205.1%
Available seat-kilometers (m ASK)	36,621	17,637	107.6%	67,491	34,052	98.2%
Load factor (%)	84.6%	51.9%	32.7	80.1%	52.0%	28.1
Long-haul						
Passengers carried ('000s)	3,562	1,093	225.8%	6,331	2,142	195.6%
Revenue pax-kilometers (m RPK)	25,065	7,017	257.2%	44,517	14,010	217.8%
Available seat-kilometers (m ASK)	29,459	14,336	105.5%	55,192	28,252	95.4%
Load factor (%)	85.1%	48.9%	36.1	80.7%	49.6%	31.1
Short and Medium-haul						
Passengers carried ('000s)	6,781	2,513	169.9%	11,116	4,510	146.5%
Revenue pax-kilometers (m RPK)	5,930	2,138	177.3%	9,565	3,713	157.6%
Available seat-kilometers (m ASK)	7,162	3,301	117.0%	12,300	5,800	112.1%
Load factor (%)	82.8%	64.8%	18.0	77.8%	64.0%	13.7

Cargo activity	Q2			Year to date		
	2022	2021	Variation	2022	2021	Variation
Revenue tonne-km (m RTK)	889	906	(1.8%)	1,796	1,812	(0.8%)
Available tonne-km (m ATK)	1,861	1,268	46.7%	3,518	2,602	35.2%
Load factor (%)	47.8%	71.4%	(23.6)	51.1%	69.6%	(18.6)

KLM activity

Total Passenger network activity	Q2			Year to date		
	2022	2021	Variation	2022	2021	Variation
Passengers carried ('000s)	7,212	2,247	220.9%	12,049	3,669	228.4%
Revenue pax-kilometers (m RPK)	21,484	6,776	217.1%	37,264	11,639	220.2%
Available seat-kilometers (m ASK)	25,077	18,780	33.5%	46,777	35,951	30.1%
Load factor (%)	85.7%	36.1%	49.6	79.7%	32.4%	47.3
Long-haul						
Passengers carried ('000s)	2,209	676	226.8%	3,823	1,196	219.7%
Revenue pax-kilometers (m RPK)	17,005	5,183	228.1%	29,878	9,153	226.4%
Available seat-kilometers (m ASK)	19,827	16,289	21.7%	37,333	31,700	17.8%
Load factor (%)	85.8%	31.8%	53.9	80.0%	28.9%	51.2
Short and Medium-haul						
Passengers carried ('000s)	5,003	1,572	218.3%	8,225	2,473	232.6%
Revenue pax-kilometers (m RPK)	4,479	1,593	181.2%	7,385	2,486	197.1%
Available seat-kilometers (m ASK)	5,250	2,491	110.7%	9,443	4,251	122.1%
Load factor (%)	85.3%	63.9%	21.4	78.2%	58.5%	19.7

Cargo activity	Q2			Year to date		
	2022	2021	Variation	2022	2021	Variation
Revenue tonne-km (m RTK)	842	1,181	(28.7%)	1,701	2,349	(27.6%)
Available tonne-km (m ATK)	1,480	1,355	9.2%	2,797	2,710	3.2%
Load factor (%)	56.9%	87.2%	(30.3)	60.8%	86.7%	(25.9)