

FULL YEAR RESULTS 2023

AIRFRANCE**KLM**
GROUP

FULL YEAR 2023 HIGHLIGHTS

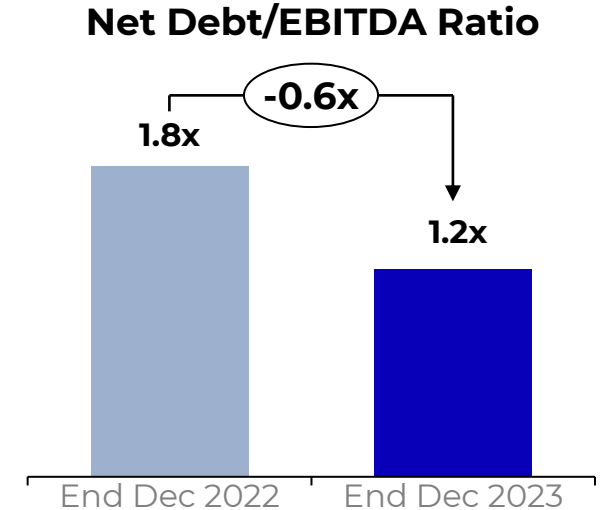
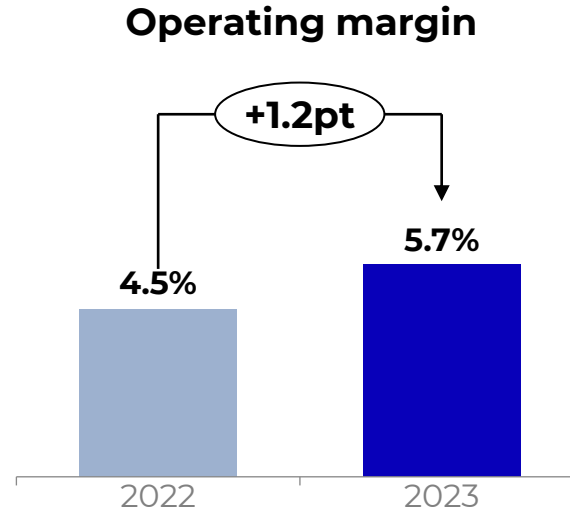
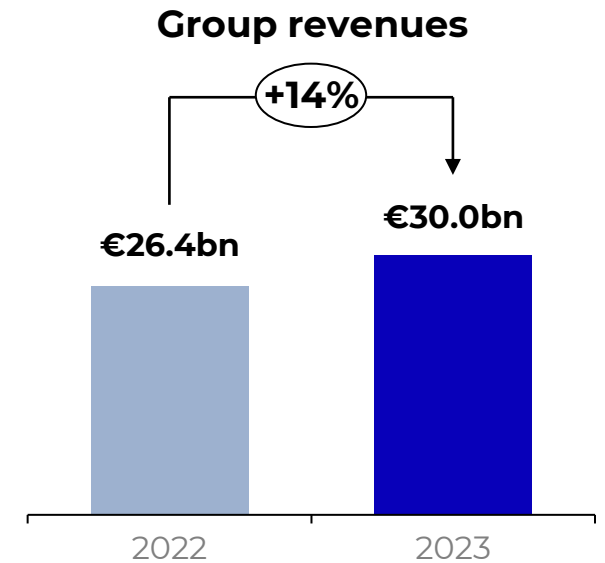
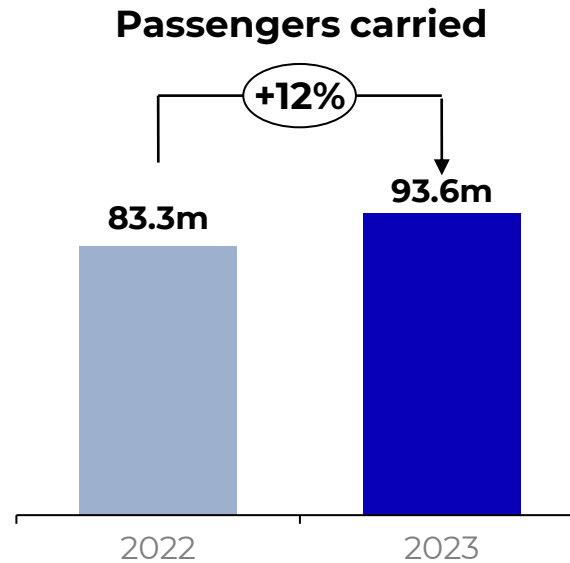
Benjamin Smith – Chief Executive Officer Air France-KLM

IN 2023 AIR FRANCE-KLM ACHIEVED NEW MILESTONES



STRONG SET OF RESULTS

- **Revenues up by 14%** driven by a strong load factor, yield and capacity development, despite challenging geopolitical and market conditions
- **Operating result** at €1.7bn, an increase of +44% compared to 2022, and **margin at 5.7%**, up +1.2pt compared to 2022 on the back of strong unit revenue increase
- **Net result at €0.9bn** driving a return in **positive equity**
- **Strong deleveraging at 1.2x**, down -0.6x compared to 2022
- **Cash at hand¹ stable at €10.5bn**
- **2 inaugural credit ratings** highlighting our ongoing transformation and an improved financial structure
- Successful **employee shareholding plan** operation, with 22% of the total workforce subscribing to the offer



1) Including RCF

OUR PASSENGER STRATEGIC ROADMAP IS FOSTERING STEADY RESULTS

ZOOM ON ANCILLARIES AND PREMIUM CABINS

ANCILLARY REVENUE EVOLUTION⁽¹⁾

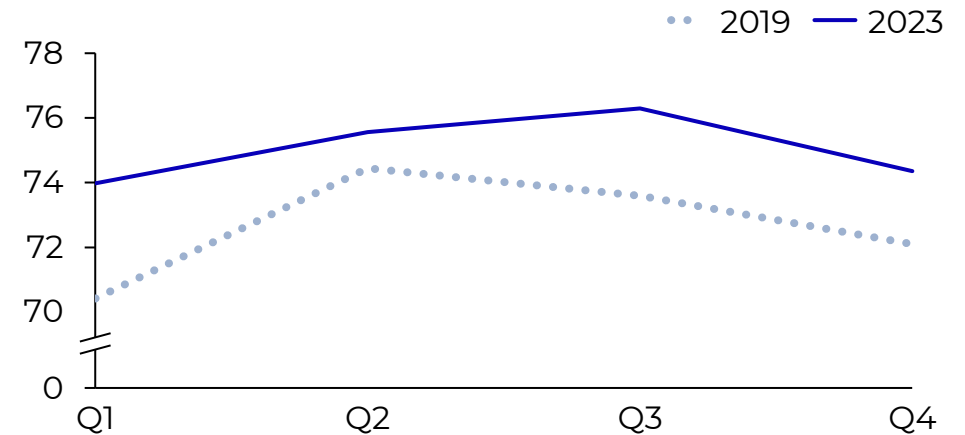
2019, 2022, 2023, €M



Since 2019, our ancillary revenue per passenger have increased by **53%**

PREMIUM CABINS LOAD FACTOR EVOLUTION

2023 vs. 2019, %



Our 2023 premium cabins load factor outperforms the one of 2019 by **+2pts**, confirming the 2022 momentum

(1) Network airlines

WE CONTINUE TO CAPITALIZE ON OUR KEY STRATEGIC ASSETS



Transavia

Strong low-cost contender

- Strategic ambition is unfolding as planned, despite geopolitical tensions and operational disruptions
- Delivery of the new gen Airbus A320neo family aircraft started according to the schedule
- Ranked 2nd LCC in Europe & 6th LCC worldwide by Skytrax for 2023



Air Cargo

Top 5 player Worldwide

- Revenue above 2019 levels
- Worldwide leader for specialized product
 - Pharma MS >10% worldwide
- Global footprint being solidified in key markets with, for instance, a newly configured and renovated warehouse in Chicago



MRO

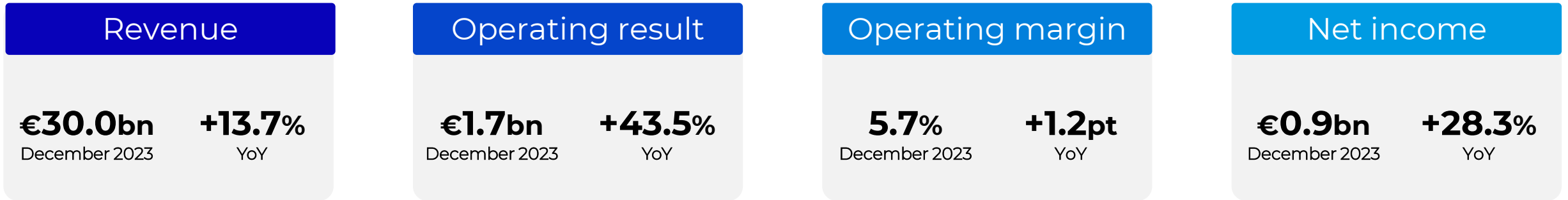
Top-tier full services MRO



- Introduction of product offering for A220 and A320neo
- Extension of customer base with new contracts generating revenue increase, despite global supply chain issues
- Solidification of our capabilities with, for instance, investments in our facilities at Paris-Orly airport

FY 2023 FINANCIAL RESULTS

Steven Zaat – Chief Financial Officer Air France-KLM

FY 2023: A SOLID IMPROVEMENT COMPARED TO 2022








FY 2023 vs FY 2022	Capacity change	Revenues (€ m)	Change YoY	Operating result (€ m)	Change YoY	Operating margin	Change YoY
AIRFRANCE 	+10%	18,518	+14%	1,085	+602	5.9%	+2.9 pt
	+9%	12,050	+13%	650	-56	5.4%	-1.2 pt
AIRFRANCE KLM GROUP	+9%	30,019	+14%	1,712	+519	5.7%	+1.2 pt

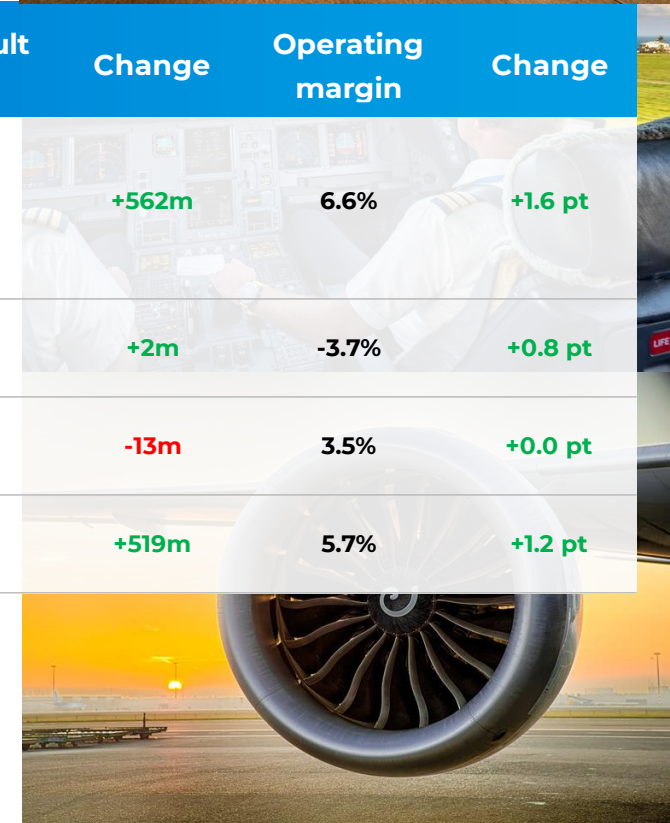
NB: Sum of individual airline results does not add up to Air France-KLM total due to intercompany eliminations at Group level

STRONG OPERATING RESULT DEVELOPMENT SUPPORTED BY PASSENGER NETWORK ACTIVITY



FY 2023 vs FY 2022

		Capacity ¹	Unit Revenue ² Constant Curr.	Revenues (€ m)	Change	Operating result (€ m)	Change	Operating margin	Change
Network		+8.8%	+11.6%	23,148	+20.2%	1,693	+562m	6.6%	+1.6 pt
		+6.2% ³	-36.8%	2,488	-29.0%				
Transavia		+13.6%	+4.6%	2,640	+19.0%	-97	+2m	-3.7%	+0.8 pt
Maintenance				1,712 ⁴	+23.2%	150 ⁴	-13m	3.5%	+0.0 pt
Group		+9.5%	+4.5%	30,019	+13.7%	1,712	+519m	5.7%	+1.2 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)

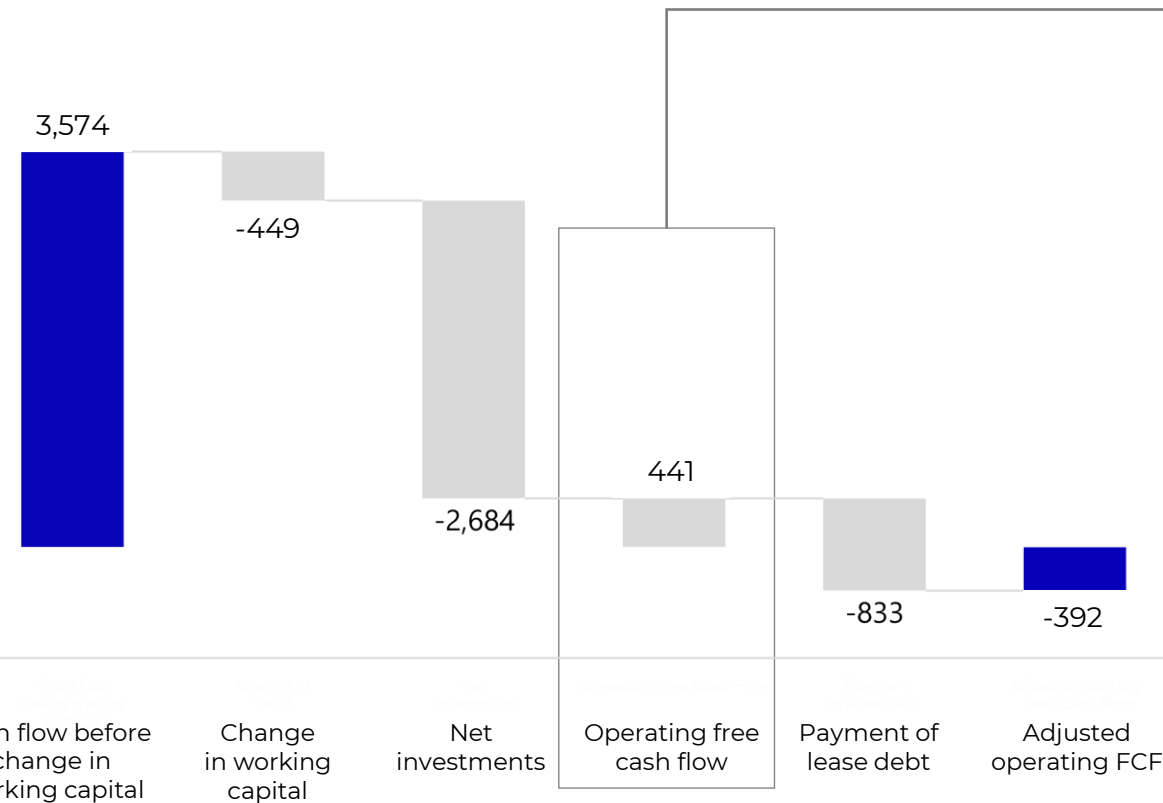
2) Unit revenues = revenue per ASK, Cargo unit revenues = Cargo revenue per ATK, Group unit revenue = (Network traffic revenues + Transavia traffic revenues) / (Network Passenger ASK + Transavia ASK).

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

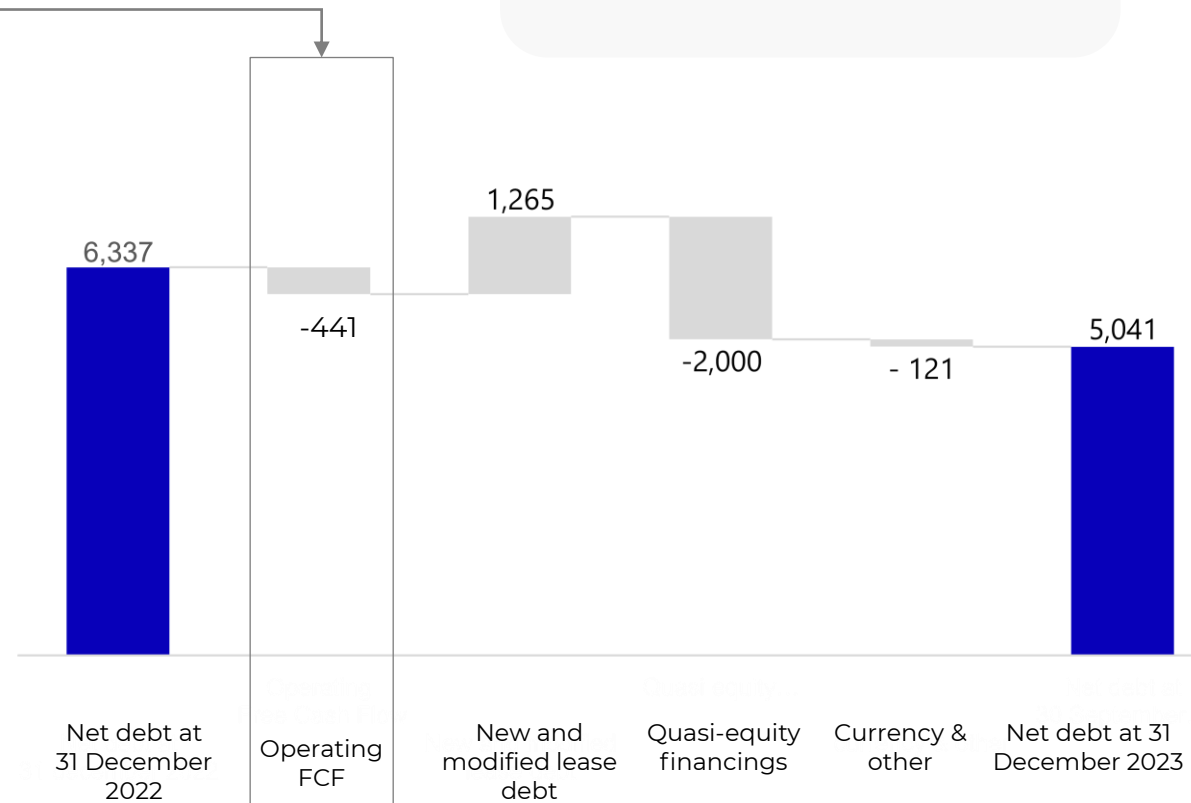
4) Revenue is the third-party revenues, margin calculated on the total revenues

FURTHER REDUCTION IN LEVERAGE AND SOLID CASH POSITION

FY 2023 Free cash flow evolution
In € m



Net debt
In € m



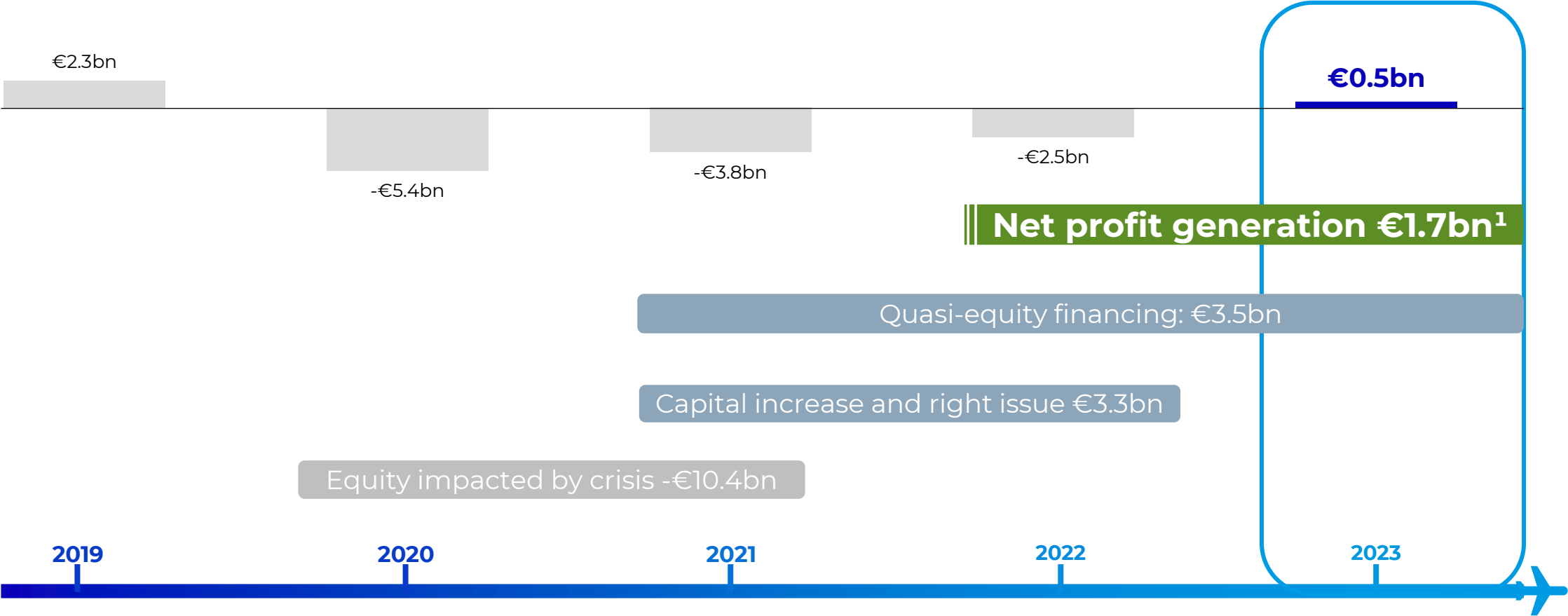
Solid Cash at hand - at end December **€10.5bn**

Continued deleveraging **1.2x**
Net debt/EBITDA December 2023

1) Following the change in accounting principles for the CO₂ quotas in March 2023, purchases of ETS quotas now appear in the working capital and no longer in the investment cash flows

GROUP'S EQUITY POSITIVE IN 2023

Air France-KLM IFRS equity



1) 2022 and 2023 net results

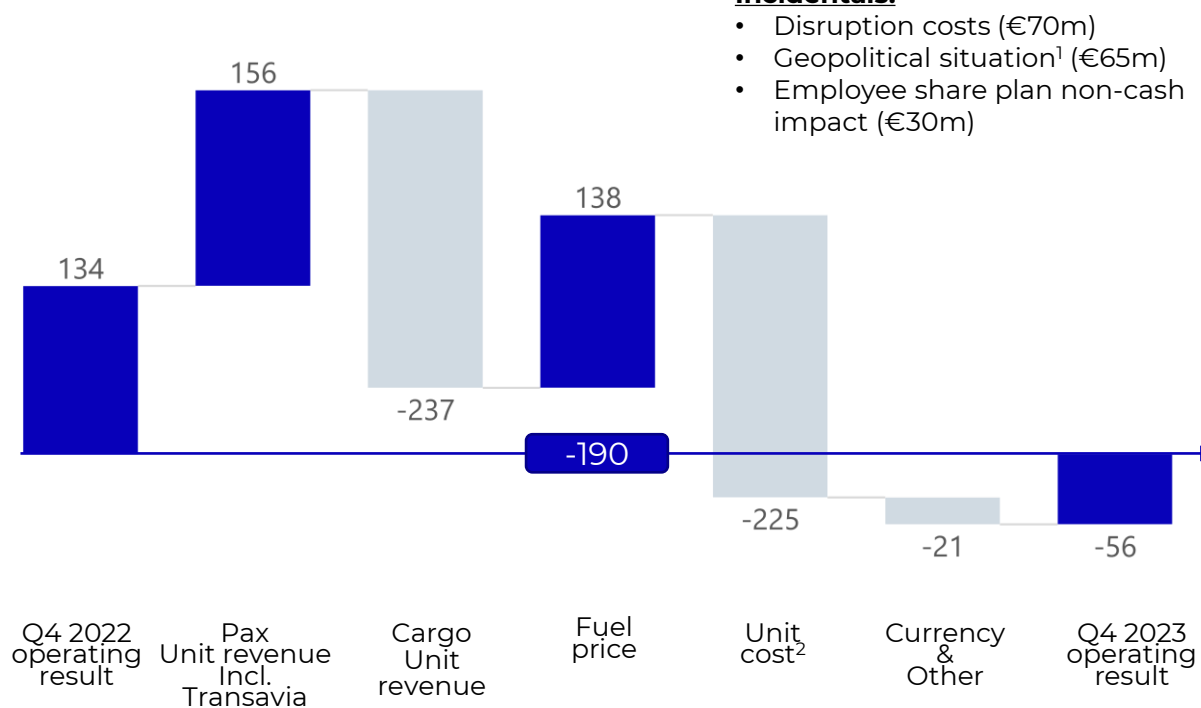
Q4 2023 FINANCIAL RESULTS

Steven Zaat – Chief Financial Officer Air France-KLM

Q4: OPERATING RESULT IMPACTED BY CARGO UNIT REVENUE, OPERATIONAL DISRUPTIONS AND GEOPOLITICAL SITUATION

	Q4 2023	Q4 2022	Change
Revenues (€ m)	7,407	7,128	+3.9%
Operating expenses (€ m)	6,806	6,342	+7.3%
EBITDA (€ m)	601	786	-23.5%
Operating result (€ m)	-56	134	nm
Operating margin	-0.8%	1.9%	-2.6 pt
Net income - Group part (€ m)	-256	496	nm

Operating result evolution
In € m

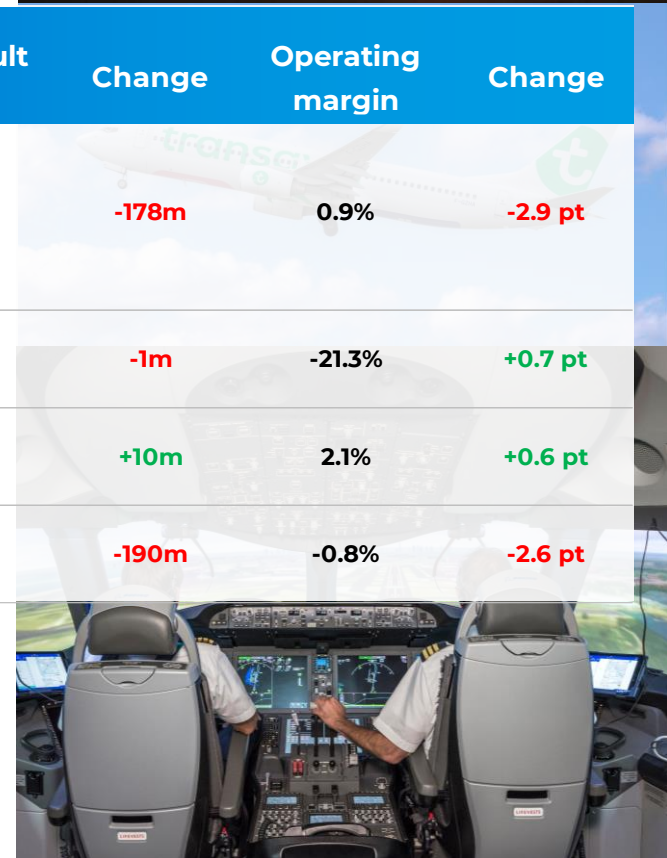


1) Conflict in the Middle East and in Africa (Niger, Mali, Burkina Faso)
2) Unit cost at constant fuel, constant currency and excluding Q4 2022 furlough (€4m)

Q4: UNIT REVENUE IMPACTED BY LOWER CARGO YIELD



Q4 2023 vs Q4 2022		Capacity ¹	Unit Revenue ² Constant Curr.	Revenues (€ m)	Change	Operating result (€ m)	Change	Operating margin	Change
Network		+6.5%	+2.6%	5,691	+6.2%	60	-178m	0.9%	-2.9 pt
		+5.0% ³	-31.8%	651	-22.9%				
Transavia		+2.9%	+3.2%	536	+4.4%	-114	-1m	-21.3%	+0.7 pt
Maintenance				521 ⁴	+28.7%	25 ⁴	+10m	2.1%	+0.6 pt
Group		+6.0%	-1.2%	7,407	+3.9%	-56	-190m	-0.8%	-2.6 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).

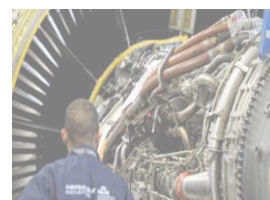
3) Capacity of passenger aircraft used for cargo only, is based on theoretical payload without passengers

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

Q4: REVENUES UP FOR BOTH AIRLINES DESPITE THE GEOPOLITICAL CONTEXT AND DISRUPTIONS

Q4 2023 vs Q4 2022	Capacity change	Revenues (€ m)	Change YoY	Operating result (€ m)	Change YoY	Operating margin	Change YoY
AIRFRANCE 	+5%	4,552	+0%	-22	-165	-0.5%	-3.6 pt
KLM 	+7%	2,993	+9%	-18	-16	-0.6%	-0.5 pt
AIRFRANCEKLM GROUP 	+6%	7,407	+4%	-56	-190	-0.8%	-2.6 pt

- **Air France's performance**, including Transavia impacted by the geopolitical situation in Africa and in the Middle-East for €50m. Latest quasi-equity financing impacting profit sharing scheme for €60m
- **KLM's performance** mainly impacted by operational issues (supply chain), geopolitical constraints and bad weather



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

Q4: CONTINUED POSITIVE YIELD ON ALL AREAS

Q4 2023 vs Q4 2022

Total
86%



Total Long-Haul

86%



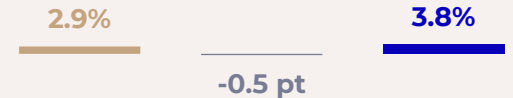
Short & Medium-Haul¹

82%



Transavia

84%



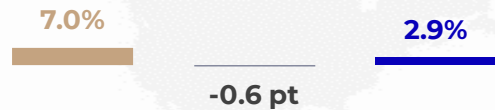
Premium¹

74%



North America

86%



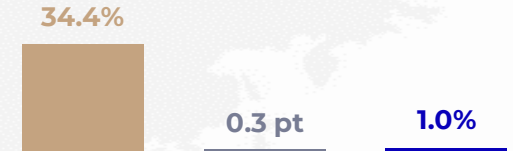
Caribbean & Indian Ocean

87%



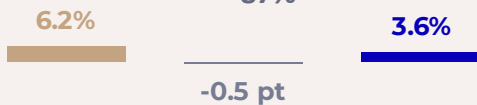
Asia & Middle East

85%



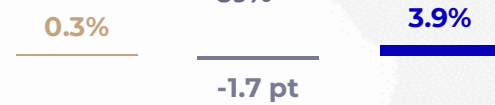
Economy¹

87%



South America

89%



Africa

85%



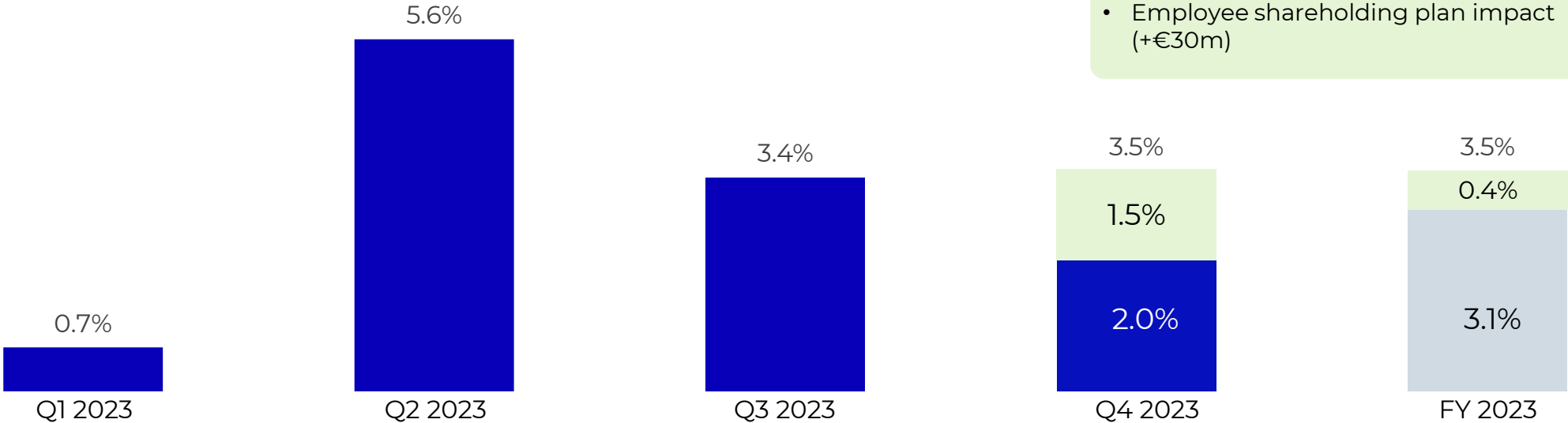
1) Air France-KLM network, excluding Transavia

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

UNIT COST INCREASED LOW SINGLE DIGIT COMPARED TO 2022

2023 Quarterly unit cost¹ per ASK evolution

In % year-over-year



Q4 incidentals:

- Disruption costs (+€70m)
- Employee shareholding plan impact (+€30m)

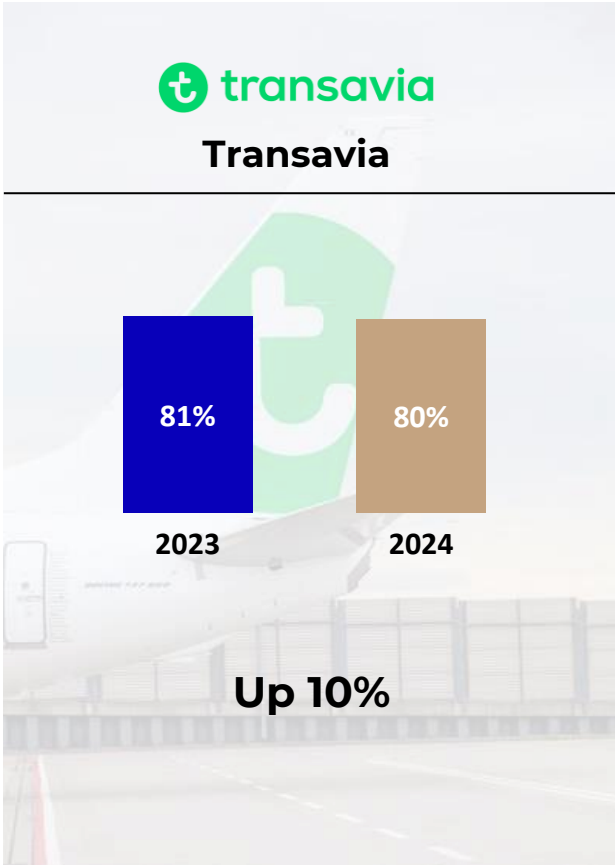
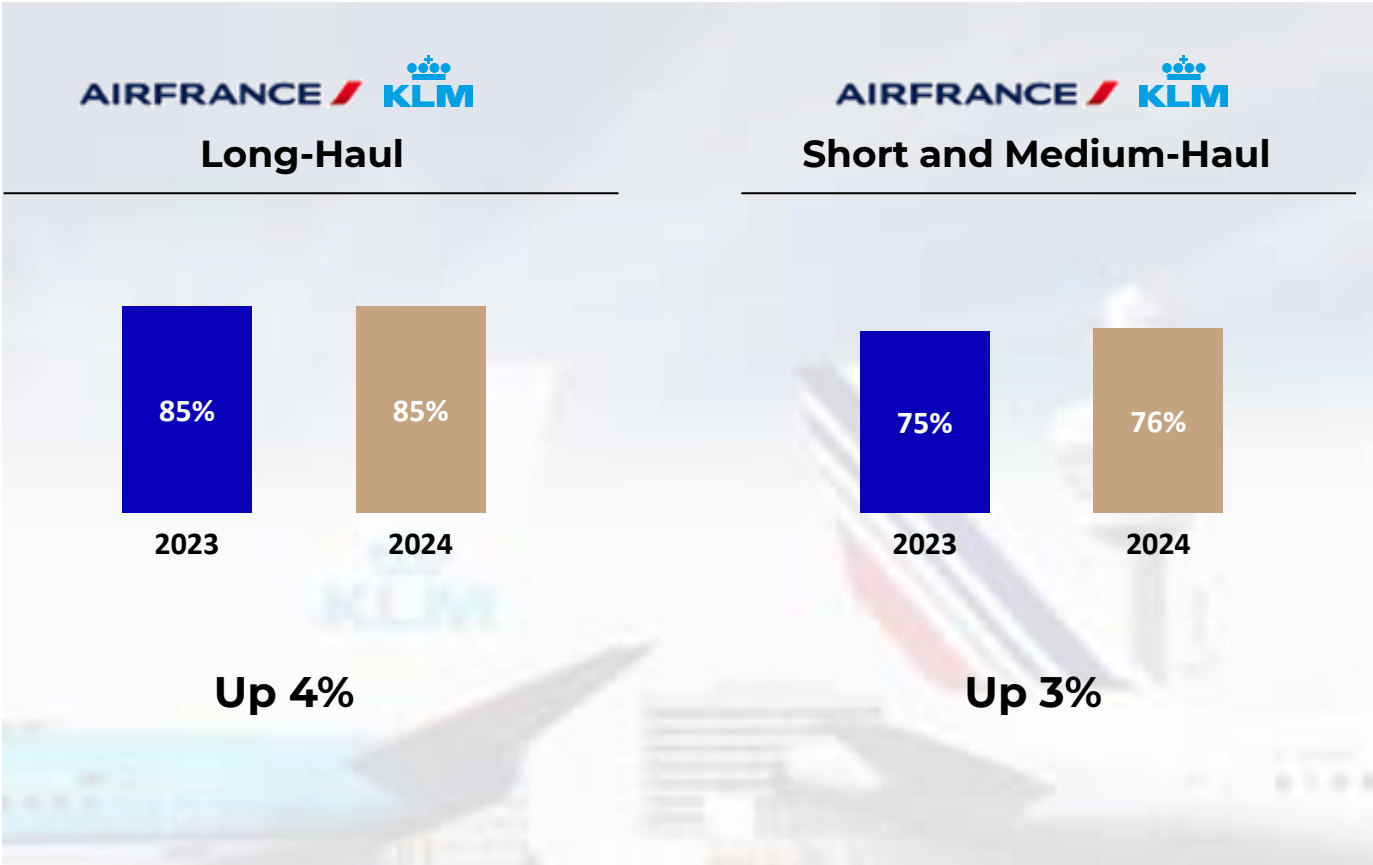
1) Against a constant fuel price, constant currency and excluding furlough contribution versus 2022

OUTLOOK

Steven Zaat – Chief Financial Officer Air France-KLM

PASSENGER NETWORK FORWARD BOOKING LOAD FACTOR IN LINE WITH LAST YEAR TRENDS WITH CAPACITY UP

Q1



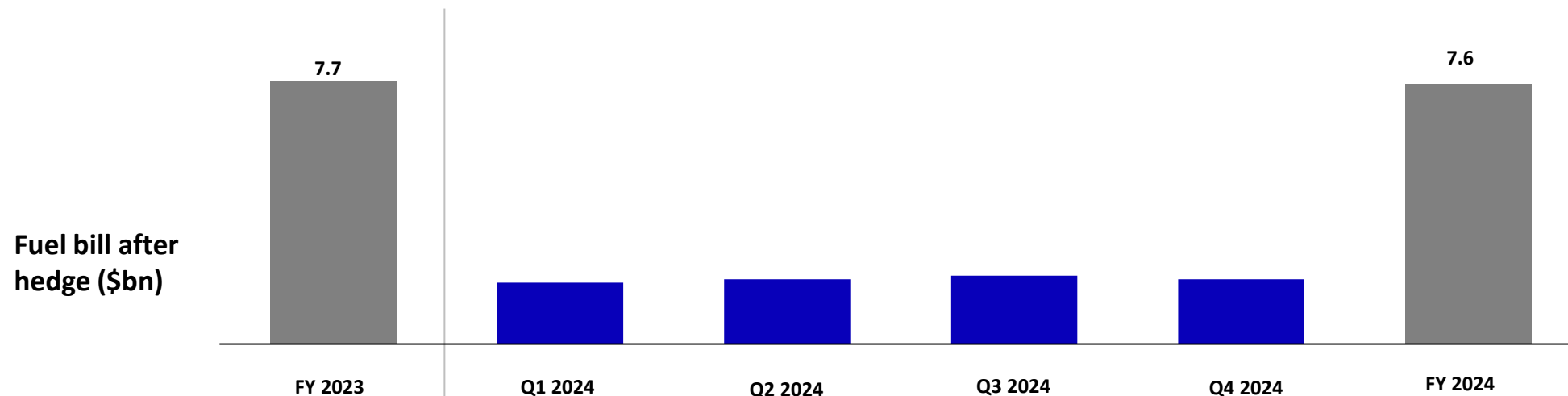
Q1 2024 Capacity (vs. 2023)

■ Forward booking load factor 2023

■ Forward booking load factor 2024

Snapshot of the 22nd of February 2023 and 2024

STABLE FUEL BILL DESPITE CAPACITY INCREASE



		FY 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
Market price	Brent (\$ per bbl)	82	80	80	78	77	79
	Jet fuel (\$ per metric ton)	962	951	916	897	880	910
Price after hedge	Jet fuel (\$ per metric ton)	964	942	916	902	883	910
	% of consumption already hedged	71%	72%	62%	60%	44%	59%
	Hedge result (in \$ m)	-17	17	0	-11	-7	-1

Based on forward curve at 23 February 2024.
Jet fuel price including into plane cost.

OUTLOOK 2024

	FY 2024
Group Capacity	+5% vs. 2023
Unit cost¹	+1% to 2% (Q1: +4%)
Net Capex	€3.0bn-€3.2bn



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

AN OPTIMIZED & DIVERSIFIED NETWORK DRIVING OUR PERFORMANCE AND CAPTURING MARKET OPPORTUNITIES WITH 300+ DESTINATIONS

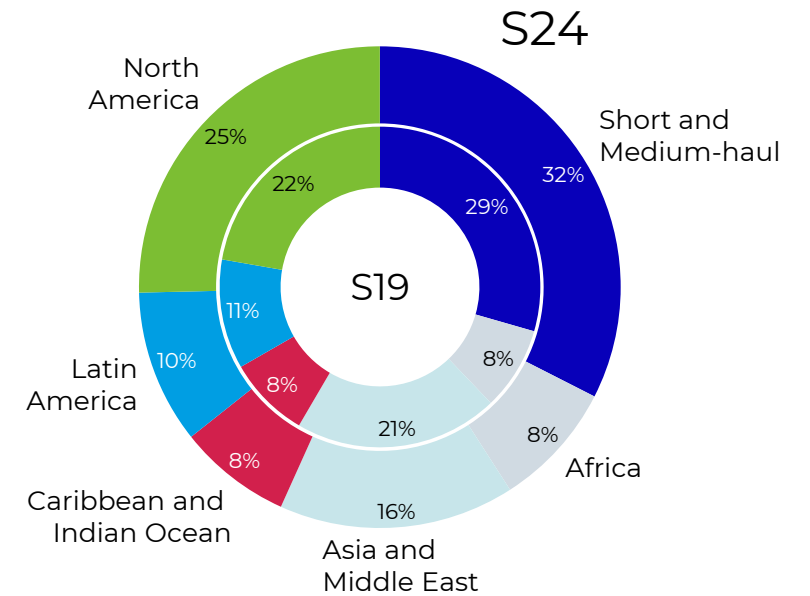
SUMMER 2024 CAPACITY OVERVIEW

S24 vs. S19, Air France-KLM Group, ASK's, Number of destinations



SUMMER 2024 CAPACITY SPLIT

S24 vs. S19, Air France-KLM Group, ASK's



1) All Transavia ASKs and destinations are attributed to the Short and Medium-haul network

TRANSAVIA IS ON TRACK TO REVAMP PROFITABILITY AND OPTIMIZE OPERATIONAL PERFORMANCE

REVENUE ACTION PLAN

well in progress with first quick wins and results starting to yield early-2024



Network Design and Optimization

Finalization

Complete



Full Paid Hand Luggage

April



Dynamic Pricing Ancillaries

Q2



Flying Blue features improvement

Q2

OPERATIONS ACTION PLAN

underway to increase robustness and optimize performance



Additional Spare Aircraft

Complete



Spare parts availability improvement

Pending



New gen aircraft deliveries

As planned



E&M & CARGO: WE CONTINUE ADDRESSING CHALLENGES TO ENHANCE OUR FINANCIAL AND OPERATIONAL PERFORMANCE



ENGINEERING & MAINTENANCE



Supply Chain & OEM performance **mitigation**



Hiring and training **new staff**



Product portfolio modernisation: **LEAP** and **A320neo**

CARGO

Commitment to new gen Air Cargo: **A350F fleet**

Strong **customer portfolio**

Customer Centricity: state-of-the-art customer relationships system





FLYING BLUE: REINFORCING FURTHER OUR LOYALTY PROGRAM



Evolve Travel proposition

- Increase flight active base and **engagement**
- Enhance **member benefits and experience**



Increase Direct revenue

- **Continue extending partnership network** beyond travel
- **Launch innovative solutions** to earn and burn miles
- **Enrich Flying Blue** Digital ecosystem



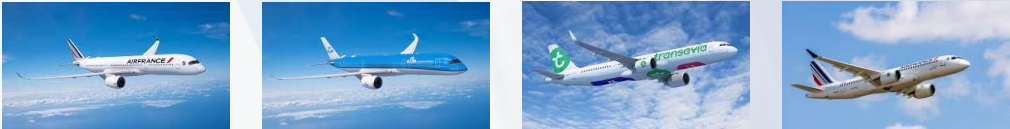
Flying Blue Sustainability

- Communicate and stimulate **more Sustainable Choices**

SUSTAINABILITY: SECURING FURTHER OUR PATHWAY TOWARDS 2030

2023

A350, A320neo, A220



2030

~21% New Gen Aircraft

Perfect strategic fit for reduction of



~80% New Gen Aircraft

For the second year in a row, the largest SAF user worldwide¹

A third of our 2030 SAF commitment already secured



User of 16% of global SAF supply (vs. 3% of global jet fuel consumption)

Our fleet renewal is going as planned

(1) IATA data

CONCLUSION

Air France-KLM delivered a strong set of results in 2023

- Double-digit growth of revenues, above €30bn, up by 14%
- Solid increase of Group's operating margin, at 5.7%
- A consolidated balance sheet, with Group's equity back to positive and continued deleveraging
- Our new gen aircraft on order are delivered as planned and are yielding expected performance

In 2024, Air France-KLM is well-positioned to continue successfully delivering its strategic roadmap, focusing on capturing the full potential of its assets, further improving its profitability and accelerating its sustainability initiatives

Network

- Further increase capacity on most strategic routes (incl. North America)
- Optimize network to capture opportunities and adapt to market constraints (e.g. geopolitics)

Transformation

- Intensify our efforts to improve the operational performance of our airlines and businesses, by delivering our transformation roadmap

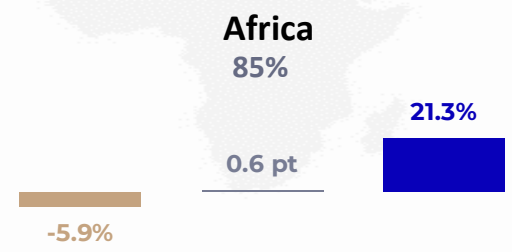
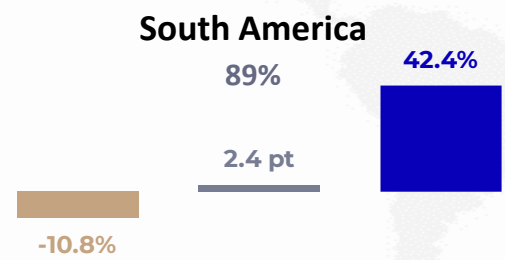
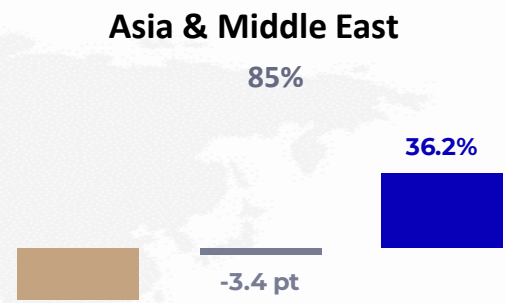
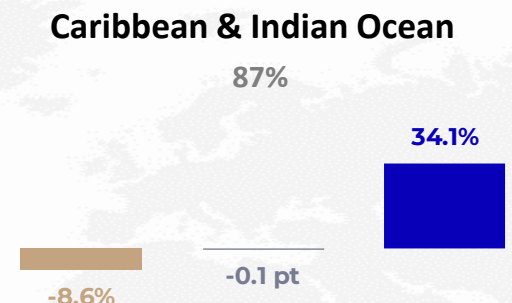
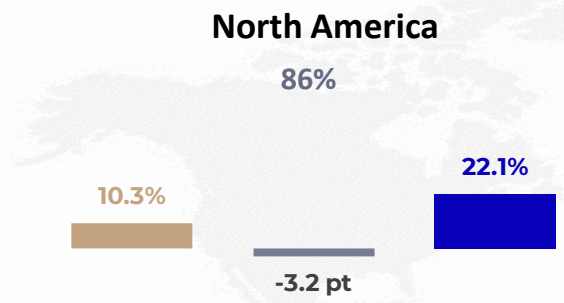
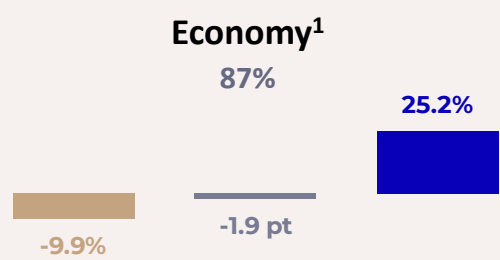
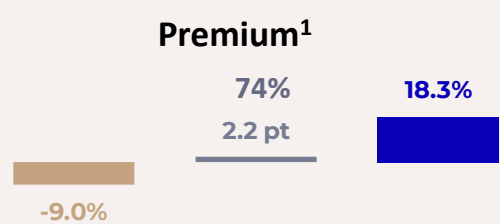
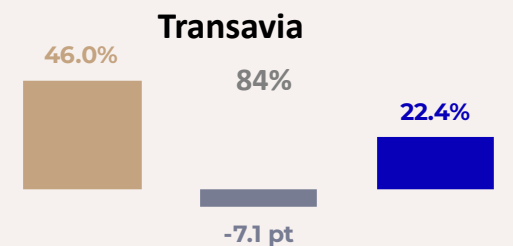
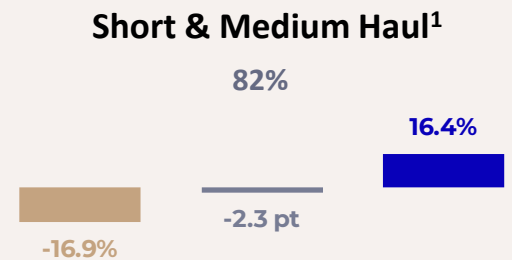
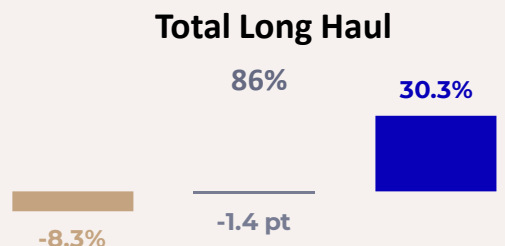
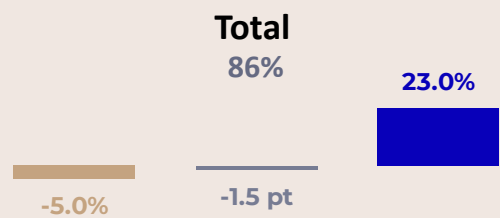
Sustainability

- Strengthen leadership position in SAF procurement and usage
- Continue the integration and ramp up of new gen aircraft into our fleet

APPENDIX

YIELD ENVIRONMENT VS 2019

Q4 2023 vs Q4 2019

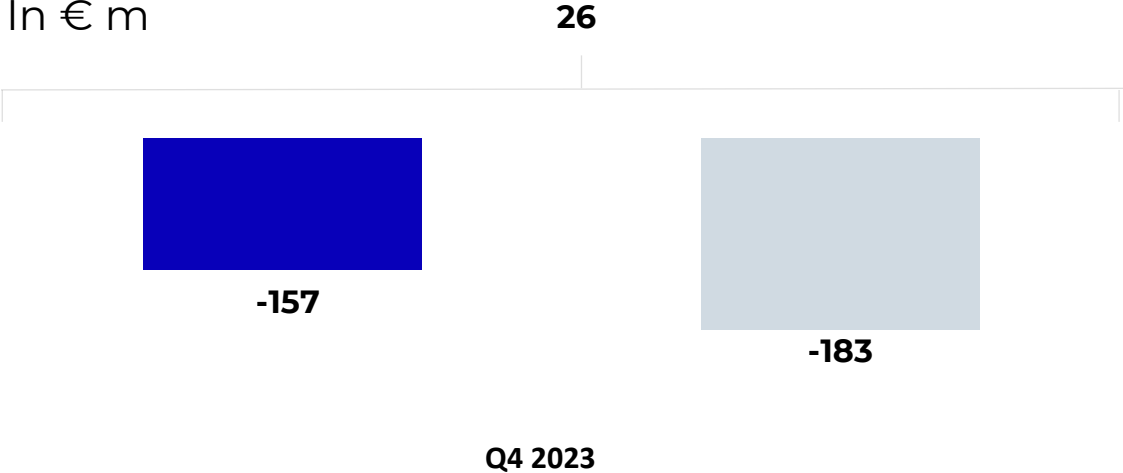


■ ASK
 xx pt Load factor change
 ■ Yield
 xx% Actual Load factor

1) Air France-KLM network, excluding Transavia

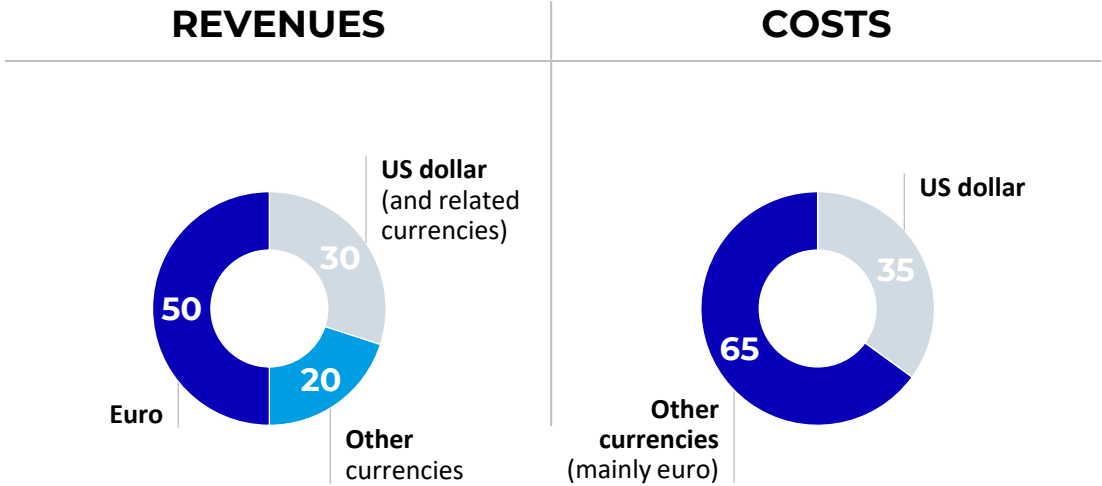
CURRENCY IMPACT ON OPERATING RESULT

Currency impact on revenues and costs In € m



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

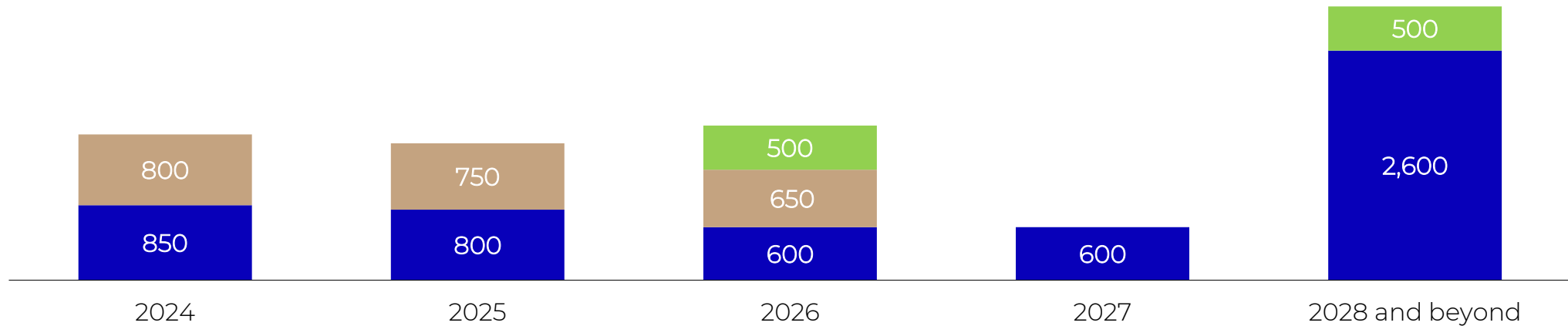
Revenues and costs per currency FY 2023



DEBT REDEMPTION PROFILE AT 31 DECEMBER 2023

Debt reimbursement profile⁽¹⁾

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

Michiel Klinkers

Michiel.klinkers@airfranceklm.com

Marouane Mami

Marouane.mami@airfranceklm.com