

RESULTS

Q2 2024

AIRFRANCE**KLM**
GROUP

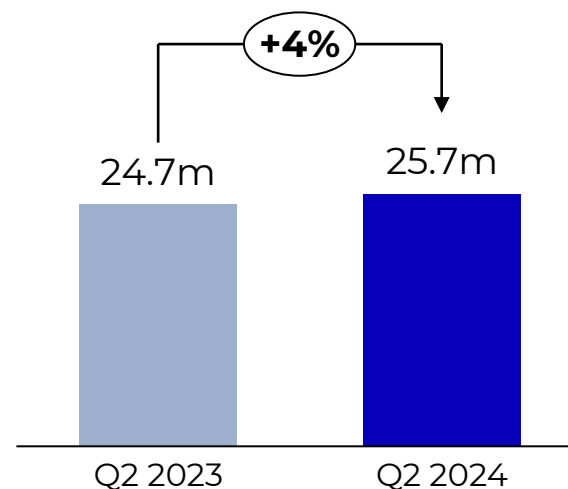
Q2 2024 HIGHLIGHTS

Benjamin Smith – Chief Executive Officer Air France-KLM

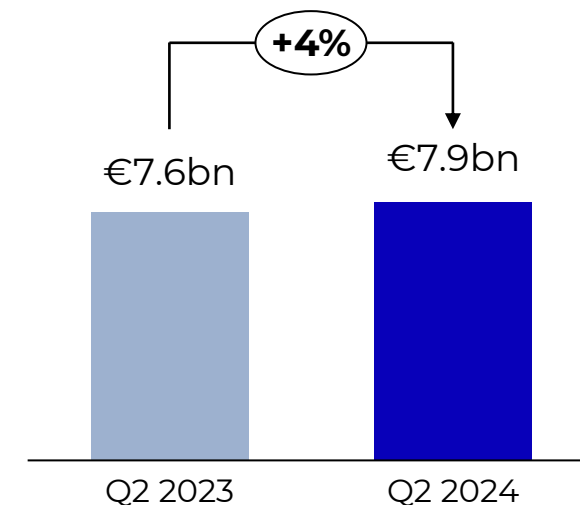
Q2 RESULTS HIGHLIGHTS

- **Capacity up 4%** and **stable load factor and yield** compared to Q2 2023
- **Group revenue up 4%** compared to last year
- **Operating result stood at €513m** marked by a marked by stable yet sluggish performance for KLM and Transavia. Air France was impacted with exceptional items including negative impact of the Olympic Games as of June
- **Net debt/EBITDA ratio at 1.6x**
- **Share of next generation aircraft is up by +5pts**, reaching 23% of total fleet
- Additional **cost control measures** including the acceleration of **organizational transformation**, **further reduction of discretionary spending**, and **implementation of an external hiring freeze**¹

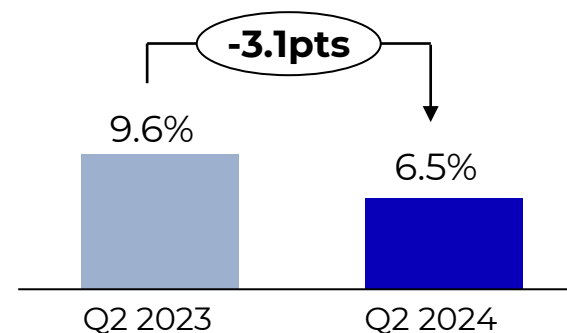
Passengers carried



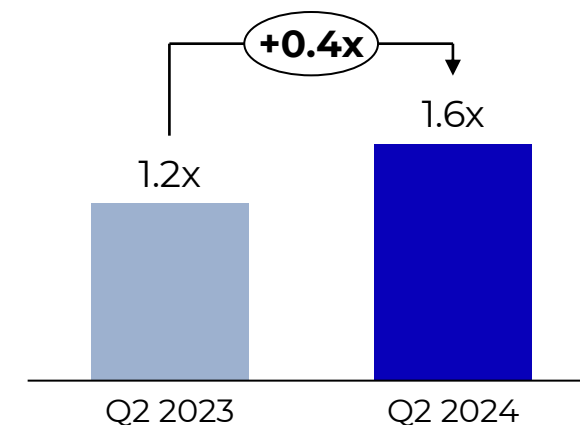
Group revenues



Operating margin



Net Debt/EBITDA Ratio

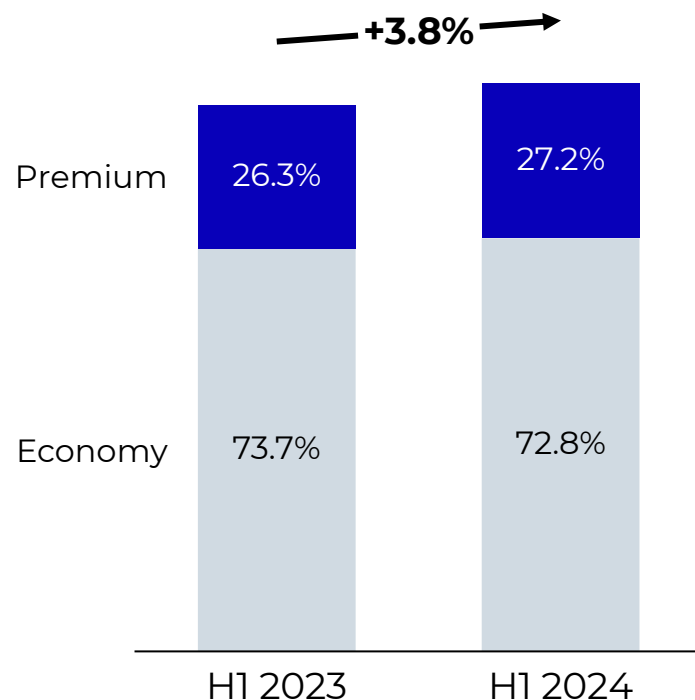


¹) For non-operational overhead staff

REVENUE INCREASE IS PREDOMINANTLY DRIVEN BY PREMIUM TRAFFIC, WHICH INCLUDES A SIGNIFICANT SHARE OF PREMIUM LEISURE

Air France-KLM Passenger Network Revenue¹

H1 2024 vs. H1 2023



+7.4% Premium revenue²

- Driven by sales in the Direct Online channel
- Strong and resilient share of Premium Leisure, significantly higher compared to pre-Covid levels

+8% in Total Direct sales²

- Direct online channel +10% vs. LY

+5% in Corporate Revenue²

- Positive traffic dynamics on Medium and Long haul with Yield almost on par with 2023
- Short haul traffic down in line with capacity decrease on Domestic but positive yield vs 2023
- Corporate revenue at index 85 vs 2019

+11% in Ancillaries²

- Increased contribution per passenger over all product groups. Strongest growth in Seating



BUSINESS DEVELOPMENT TRACKS ON COURSE TO BRING STRONG TANGIBLE RESULTS

AIRBUS

Signing Air France / Airbus Joint Venture deal agreement for Engineering and Maintenance business, with closing expected end-2024, early-2025

New generation platform for airline-manufacturer cooperation with balanced repair activities: A350 component support, later scalable on A220



SAS

Closing of SAS investment (19.9%) expected in Q3 2024

Joining SkyTeam alliance

As of September 1, 2024

New codeshare and interline agreements, including Earn / Spend Miles on both Flying Blue and EuroBonus programs

33 new destinations in Northern Europe as of September 1, 2024



FLYING BLUE KEEPS EXPANDING BEYOND AIRLINE BUSINESS, ENGAGING EVEN MORE ACTIVE MEMBERS



Flying Blue steadily attracts Active Members, who engage with program by Earning & Burning Miles

- **More than 12M¹ of Active Flying Blue members** with 3.1M enrollments in H1 2024, +9% vs. LY
- **Earn / Spend activity increased by 16% vs. LY**



Lifestyle partnership with **Uber**

Earn Miles on all rides in France and the Netherlands

Expansion of partnership with **Revolut**

Miles conversion available across Europe

Note: (1) rolling 24 months active members as of June 2024

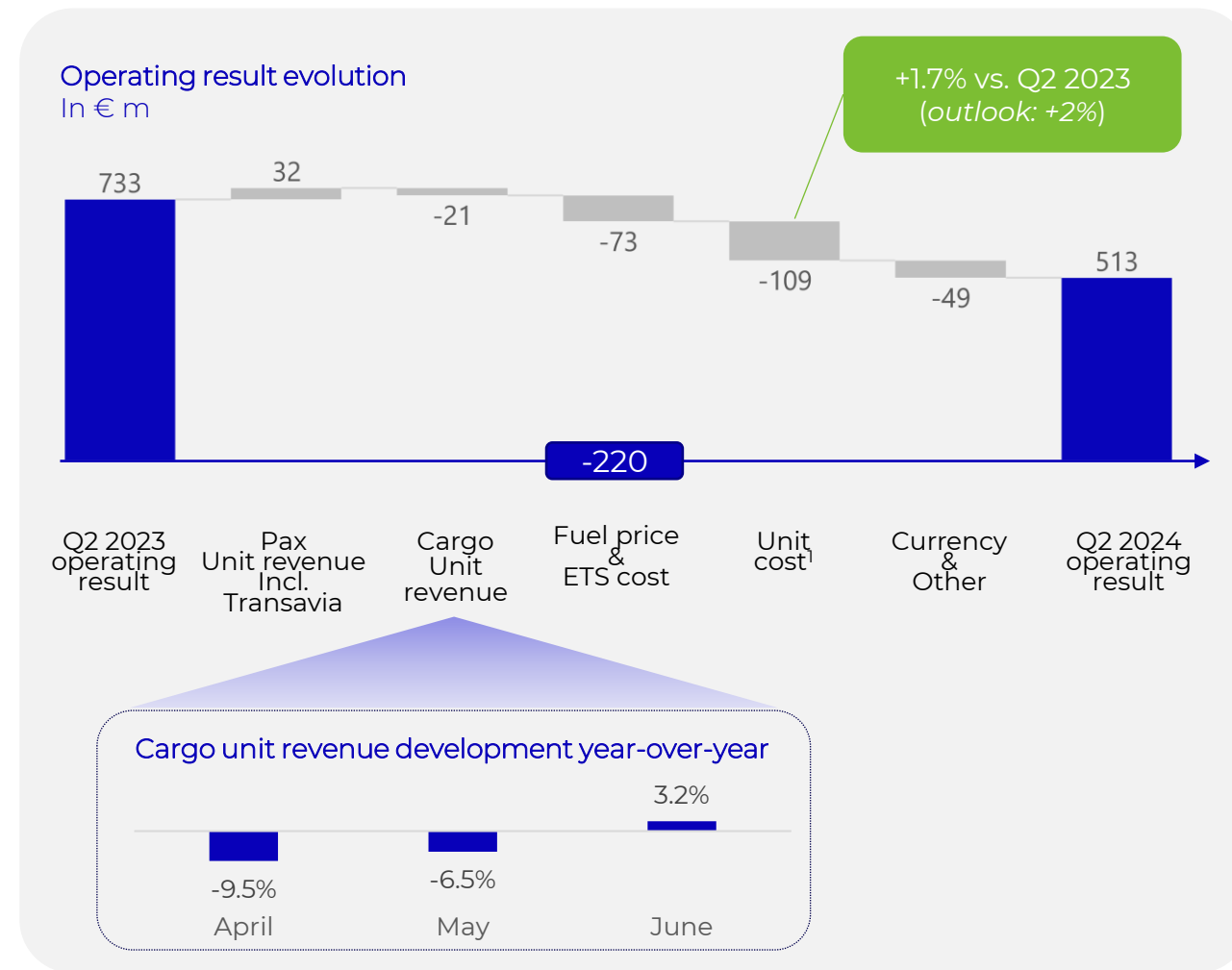
Q2 2024 FINANCIAL RESULTS

Steven Zaat – Chief Financial Officer Air France-KLM

OPERATING RESULT HAMPERED BY HIGHER FUEL PRICE AND UNIT COST

OLYMPIC GAMES IMPACT IN JUNE: €40M

	Q2 2024	Q2 2023	Change
Revenues (€ m)	7,949	7,624	+4.3%
Operating expenses (€ m)	7,435	6,891	+7.9%
EBITDA (€ m)	1,170	1,328	-158
Operating result (€ m)	513	733	-220
Operating margin	6.5%	9.6%	-3.1 pt
Net income for the period (€ m)	165	612	-447



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

NETWORK PASSENGER UNIT REVENUE STABLE DESPITE OLYMPIC GAMES EFFECTS



Q2 2024 vs Q2 2023

		Capacity ¹	Unit Revenue ² Constant Curr.	Revenues (€ m)	Change	Operating result (€ m)	Change	Operating margin	Change
Network	AIRFRANCE / KLM	+2.8%	-0.1%	6,080	+2.8%				
	AIRFRANCE / KLM Martinair CARGO	+0.2%	-4.4%	546	-10.0%	446	-247m	6.7%	-3.9 pt
Transavia	transavia	+12.1%	+4.5%	843	+18.4%	26	+27m	3.1%	+3.2 pt
Maintenance	AIRFRANCE INDUSTRIES / KLM Engineering & Maintenance			471	+22.6%	37	-9m	3.1% ³	-1.3 pt
Group	AIRFRANCE KLM GROUP	+4.1%	-0.4%	7,949	+4.3%	513	-220m	6.5%	-3.1 pt

- **Strong unit revenue for Transavia** supported by the implementation of paid hand luggage with high capacity development



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)

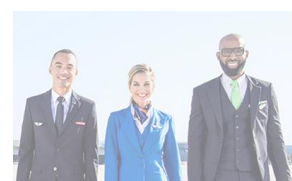
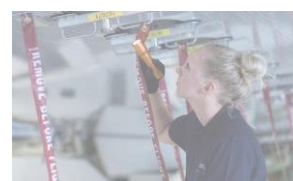
2) Unit revenues = revenue per ASK, Cargo unit revenues = Cargo revenue per ATK, Group unit revenue = (Network traffic revenues + Transavia traffic revenues) / (Network Passenger ASK + Transavia ASK).

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

STABLE OPERATIONAL PERFORMANCE FOR KLM WHILE AIR FRANCE IMPACTED BY OLYMPIC GAMES AND UNIT COST

Q2 2024 vs Q2 2023	Capacity change	Revenues (€ m)	Change ² YoY	Operating result (€ m)	Change ² YoY	Operating margin	Change ² YoY
AIRFRANCE /	+6%	4,802	+3%	195	-287	4.1%	-6.3 pt
KLM	+1%	3,268	+5%	260	+3	8.0%	-0.3 pt
flyingblue <small>AIRFRANCE / KLM</small>		208 ¹		54		26.0%	
AIRFRANCEKLM <small>GROUP</small>	+4%	7,949	+4%	513	-220	6.5%	-3.1 pt

- **Air France** was affected by the Olympic Games (c.€40m unit revenues), salary increase linked to yearly negotiations, as well as the finalization of the IT system implementation for the cargo activity
- **KLM's stable operational performance** driven by an increase in punctuality resulting in a reduction of disruption costs and positive unit revenue development
- **Flying Blue:** continuation of the **strong performance**



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

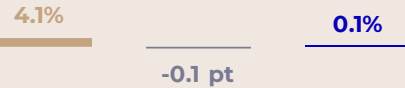
1) Flying Blue Miles total gross turnover, including third party airline and non-airline partners revenue

2) Airlines 2023 results were still including Flying Blue figures, resulting in a negative impact in the change columns

POSITIVE YIELD DEVELOPMENT IN PREMIUM CLASSES AND STRONG PERFORMANCE FOR TRANSAVIA

Q2 2024 vs Q2 2023

Total
88%



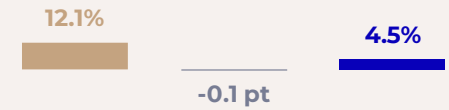
Total Long-Haul
88%



Short & Medium-Haul¹
84%



Transavia
90%



Premium¹
75%



North America
88%



Caribbean & Indian Ocean
90%



Asia & Middle East
89%



Economy¹
87%



South America
90%



Africa
85%

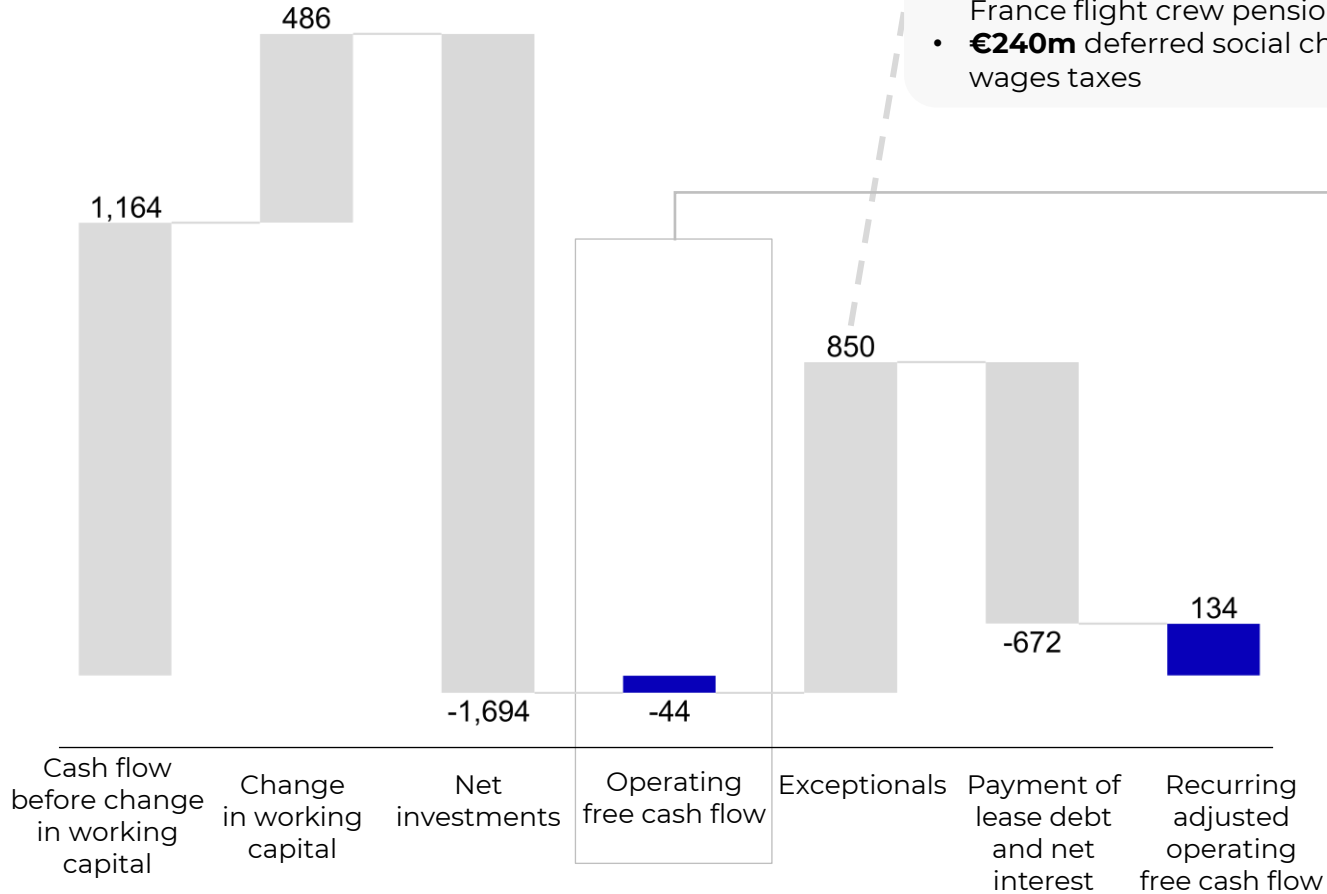


1) Air France-KLM network, excluding Transavia

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

H1: POSITIVE RECURRING ADJUSTED OPERATING FREE CASH FLOW

H1 2024 Free cash flow evolution
In € m



Exceptionals:

- €610m one-time payment to the Air France flight crew pension fund (CRPN)
- €240m deferred social charges and wages taxes

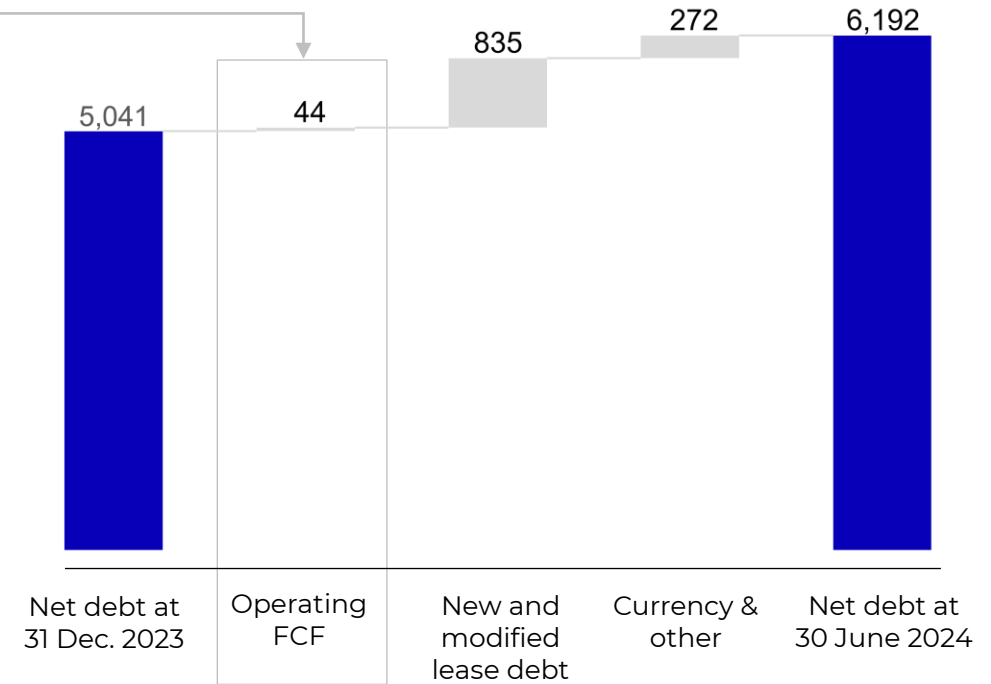
Solid Cash at hand
- at end June

€9.6bn

Leverage within guidance
Net debt/EBITDA

1.6x

End June 2024



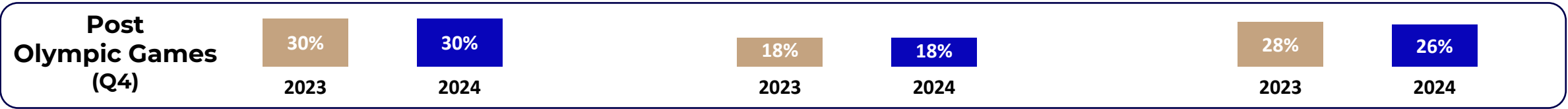
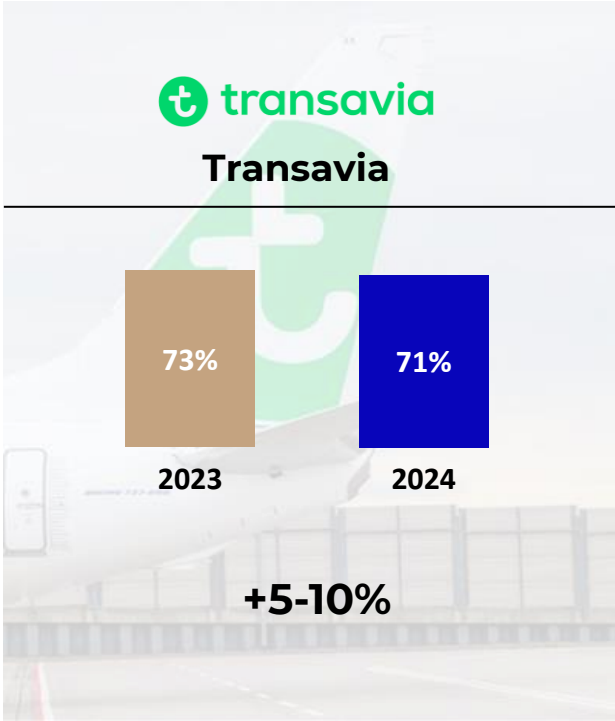
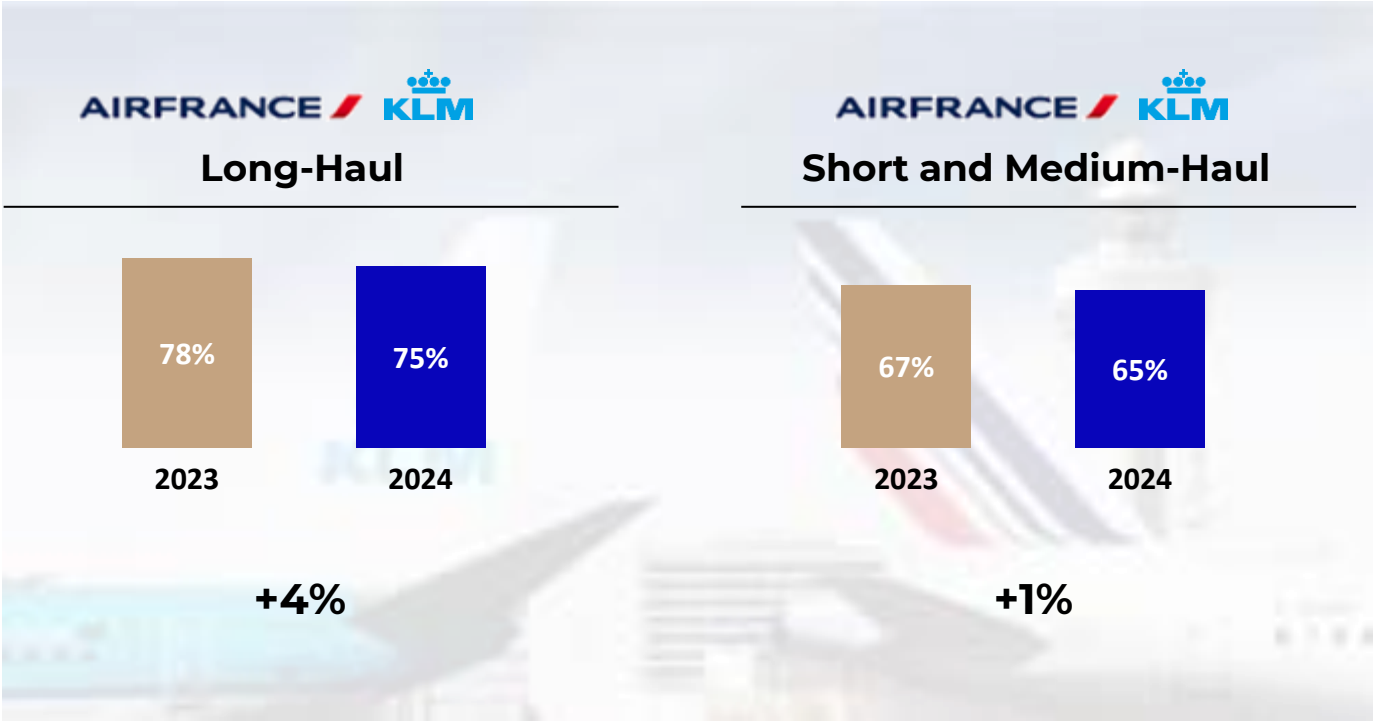
OUTLOOK

Steven Zaat – Chief Financial Officer Air France-KLM

Q3 BOOKING LOAD FACTOR IMPACTED BY OLYMPIC GAMES

Q4 STABLE VERSUS LAST YEAR

Q3



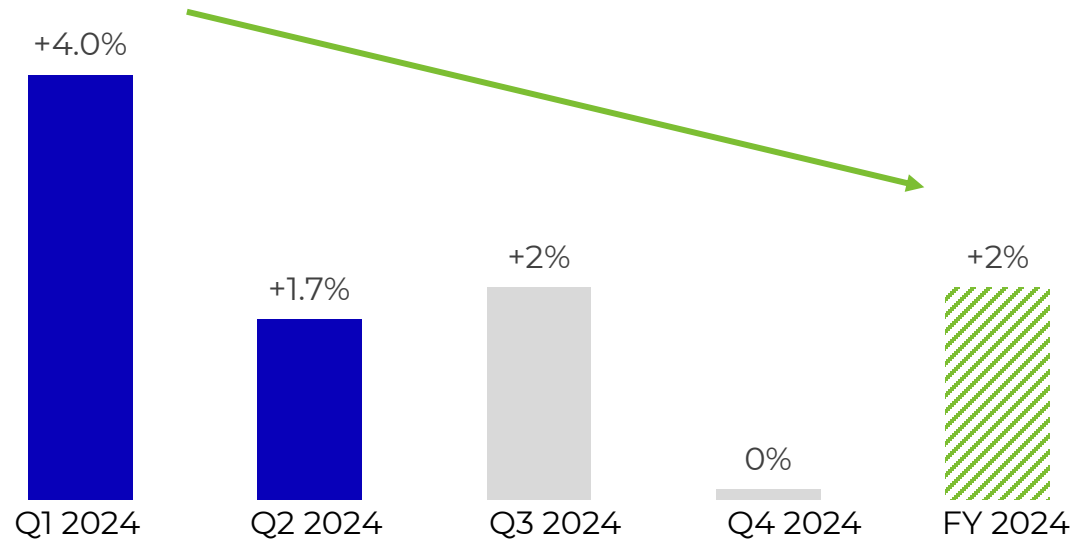
Forward booking load factor 2023 (tan bar) Forward booking load factor 2024 (blue bar)

Snapshot of the 22nd of July 2023 and 2024

UNIT COST OUTLOOK AT +2% COMPARED TO 2023

2024 Quarterly unit cost¹ per ASK evolution

In % year-over-year



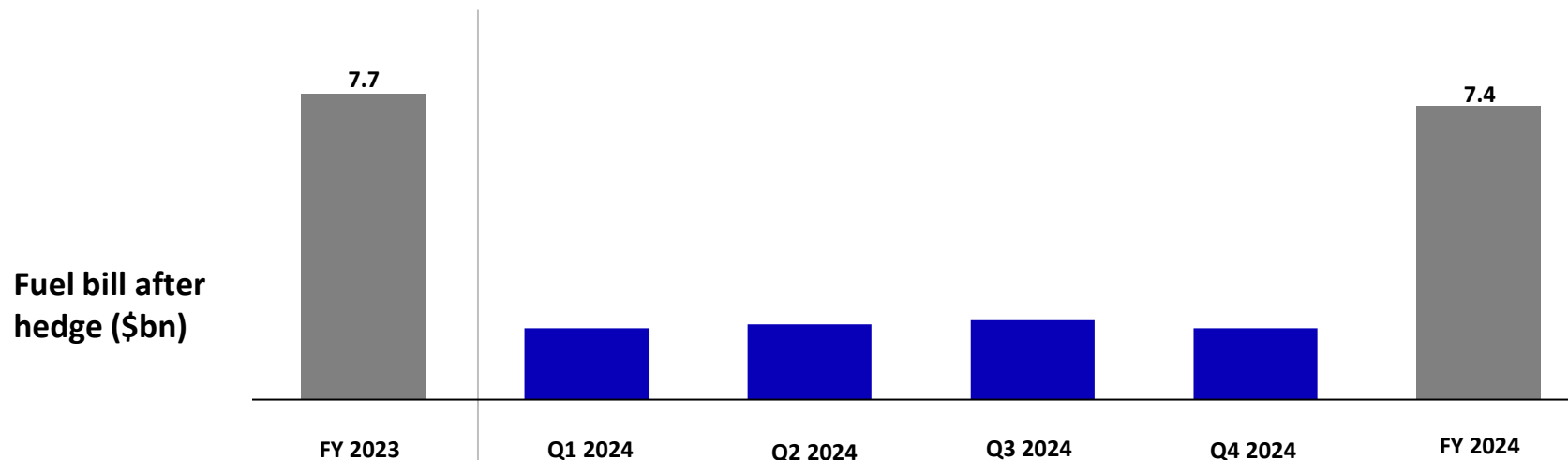
Cost control measures

- Accelerated transformation initiatives 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)
- New fleet delivery to support unit cost development
- Marketing cost-cutting
- 20% reduction of discretionary costs

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

70% HEDGED FOR 2024

TOTAL FUEL BILL BELOW LAST YEAR WHILE CAPACITY INCREASED



		FY 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
Market price	Brent (\$ per bbl)	82	82	85	82	80	82
	Jet fuel (\$ per metric ton)	962	947	907	884	868	900
Price after hedge	Jet fuel (\$ per metric ton)	964	938	904	891	876	901
	% of consumption already hedged	71%	72%	69%	71%	70%	70%
	Hedge result (in \$ m)	-17	18	6	-16	-16	-8

FY 2025
34% hedged

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

OUTLOOK 2024

FY 2024

Group Capacity

+4% vs. 2023 (previously: +5%)

Unit cost¹

+2% (previously: +1-2%)
(Q3: +2%)

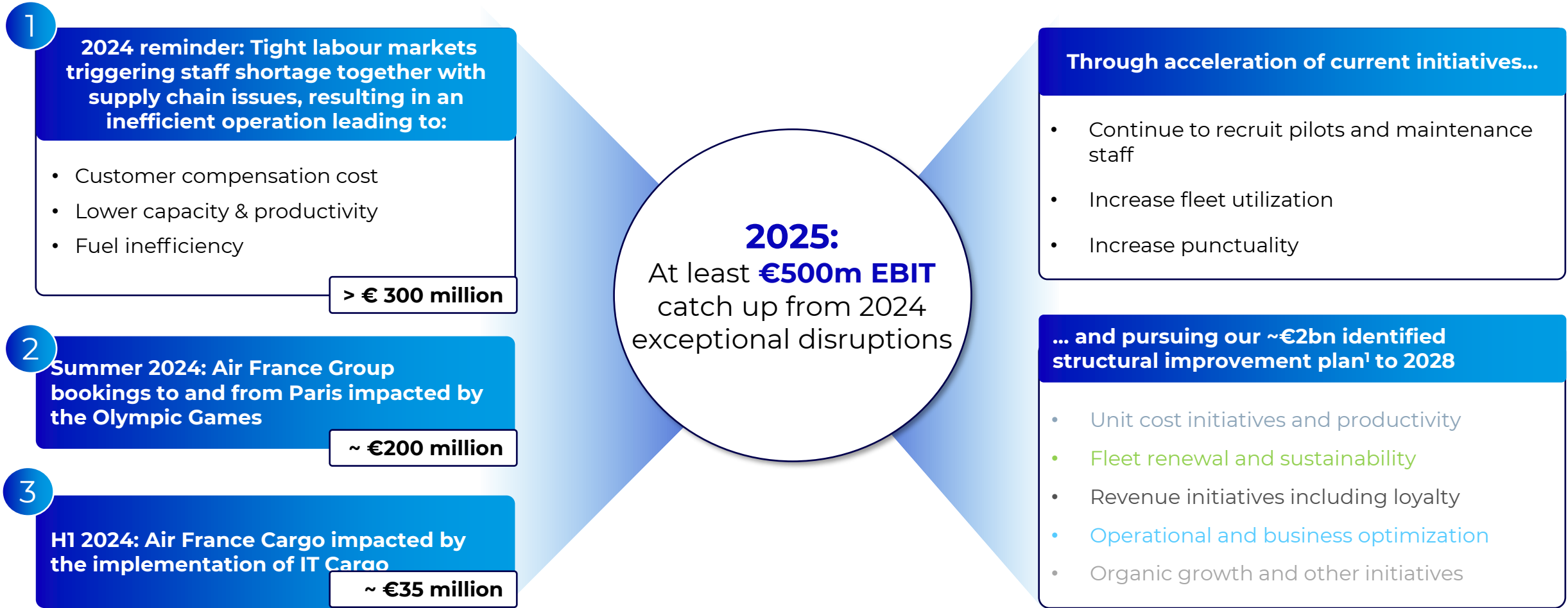
Net Capex

Below €3bn (previously at €3bn)



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

2025: UPWARD POTENTIAL THROUGH RESOLVING 2024 DISRUPTIONS WHILE CONTINUING STRUCTURAL IMPROVEMENTS



1) Versus 2023

UPDATE & OUTLOOK

Benjamin Smith – Chief Executive Officer Air France-KLM

OLYMPIC GAMES NEGATIVELY IMPACT SUMMER PEAK SEASON, WITH PROGRESSIVE NORMALIZATION EXPECTED AFTER THE GAMES



Pre-Olympics

as of June:
Both inbound and outbound flows negatively impacted



Olympics

July-August:
Negative impact mainly on outbound flows



Paralympics & Post-Olympics

end of August onwards:
Progressive normalization



Overall, negative impact on the classic peak season

Normalization **expected to happen late summer, with progressive development after the Games**

Mitigation measures in place on:
pricing and marketing campaigns, upsells, FlyingBlue and BlueBiz promotions

CELEBRATING 20 YEARS OF THE AIR FRANCE-KLM GROUP'S CREATION



1.9% and 2.3%¹ of contribution to GDP in France and the Netherlands



76k direct and **820k** indirect jobs



>€70bn impact to both the French and Dutch economies



Steady execution of our strategic roadmap shaping the future of Air France-KLM

TO CONCLUDE

We advance with our strategy deployment: our business model is robust and resilient, leveraging strong assets and unique competitive positioning.

Our transformation strategy is well on track: We execute and expand our revenue and cost initiatives, as well as deliver structural improvements.

Our sustainability tracks unfold as planned, with already 23% of new generation aircraft in fleet and a focus on SAF production acceleration.

We keep partnerships and investments our priority in expanding our business model and bringing customers an access to a broader range of high-quality services.

We are confident in our mid-term and long-term **objectives to be delivered as promised.**

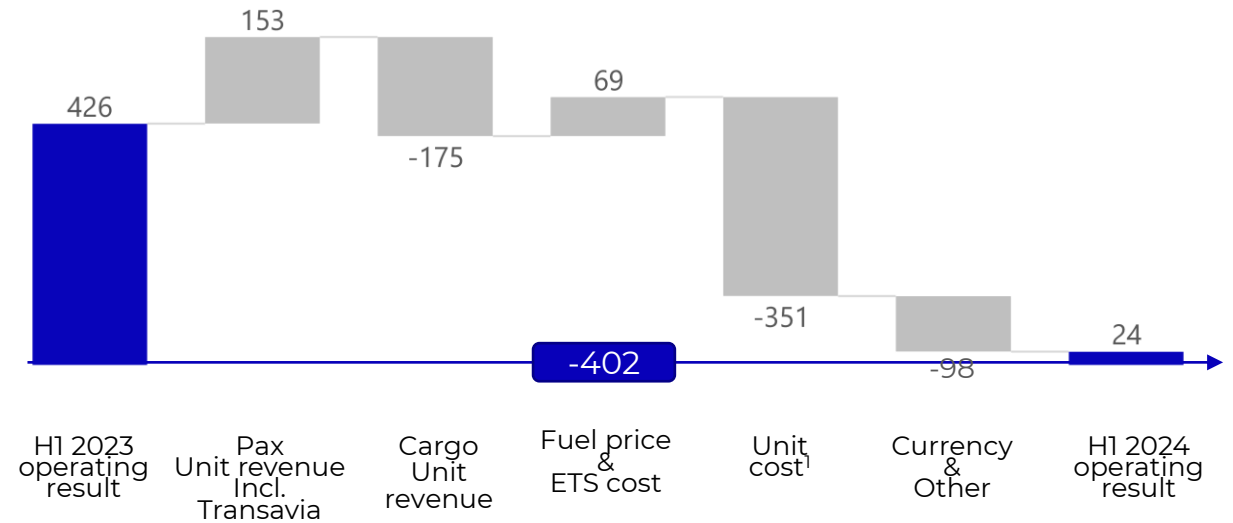


APPENDIX

H1 2024 RESULTS






	H1 2024	H1 2023	Change
Revenues (€ m)	14,603	13,953	+4.7%
Operating expenses (€ m)	14,579	13,526	+7.8%
EBITDA (€ m)	1,345	1,614	-269
Operating result (€ m)	24	426	-402
Operating margin	0.2%	3.1%	-2.9 pt
Net income for the period (€ m)	-314	275	-589

Operating result evolution
In € m



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

H1 2024 RESULTS

H1 2024 vs H1 2023		Capacity ¹	Unit Revenue ² Constant Curr.	Revenues (€ m)	Change	Operating result (€ m)	Change	Operating margin	Change
Network		+3.2%	+0.7%	11,176	+3.3%	90	-452m	0.7%	-3.7 pt
		+2.5% ³	-16.2%	1,108	-13.4%				
Transavia		+11.7%	+6.4%	1,305	+19.8%	-139	+33m	-10.7%	+5.1 pt
Maintenance				1,001	+32.8%	66	+4m	2.7% ⁴	-0.4 pt
Group		+4.3%	-0.6%	14,603	+4.7%	24	-402m	0.2%	-2.9 pt

Air France-KLM passenger network + cargo = network





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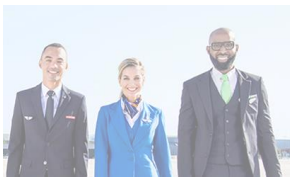
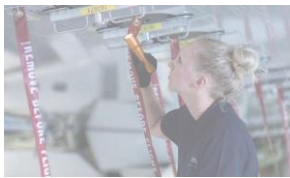
2) Unit revenues = revenue per ASK, Cargo unit revenues = Cargo revenue per ATK, Group unit revenue = (Network traffic revenues + Transavia traffic revenues) / (Network Passenger ASK + Transavia ASK).

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

H1 2024 RESULTS

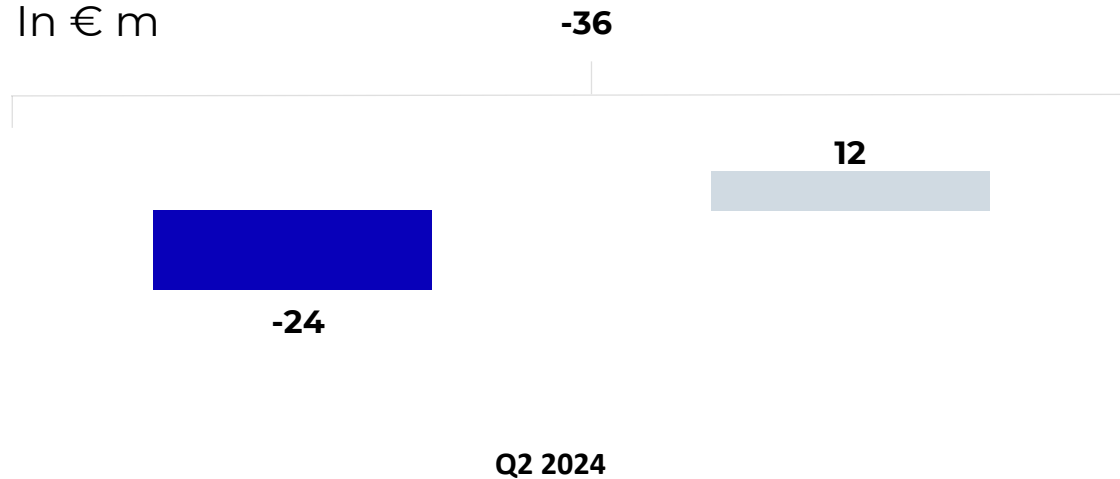
H1 2024 vs H1 2023	Capacity change	Revenues (€ m)	Change YoY ²	Operating result (€ m)	Change YoY ²	Operating margin	Change YoY ²
AIRFRANCE 	+4%	8,834	+3%	-54	-355	-0.6%	-4.1 pt
 KLM	+4%	6,003	+7%	-31	-160	-0.5%	-2.8 pt
 Flyingblue		404 ¹		101		25.0%	
AIRFRANCE  KLM GROUP	+4%	14,603	+5%	24	-402	0.2%	-2.9 pt



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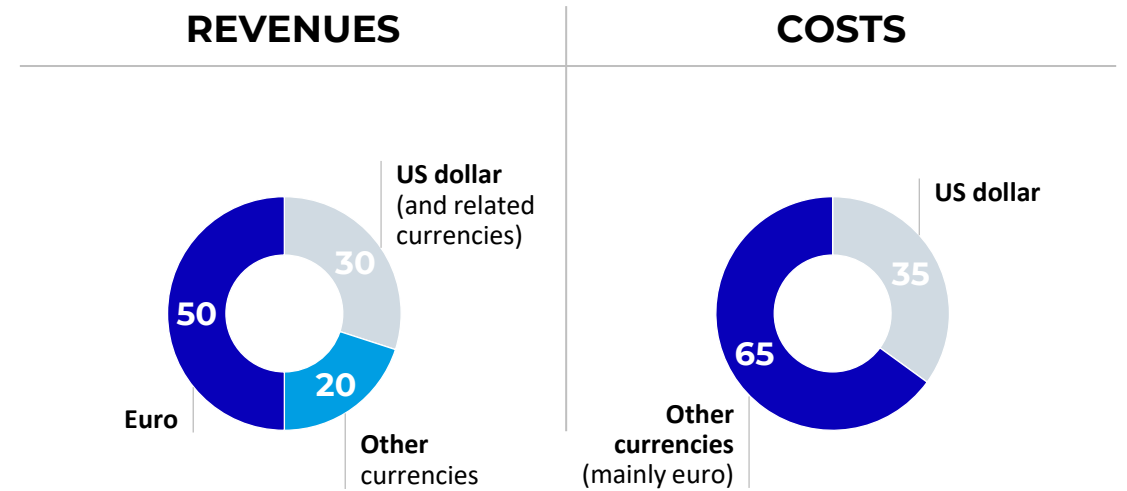
CURRENCY IMPACT ON OPERATING RESULT

Currency impact on revenues and costs In € m



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

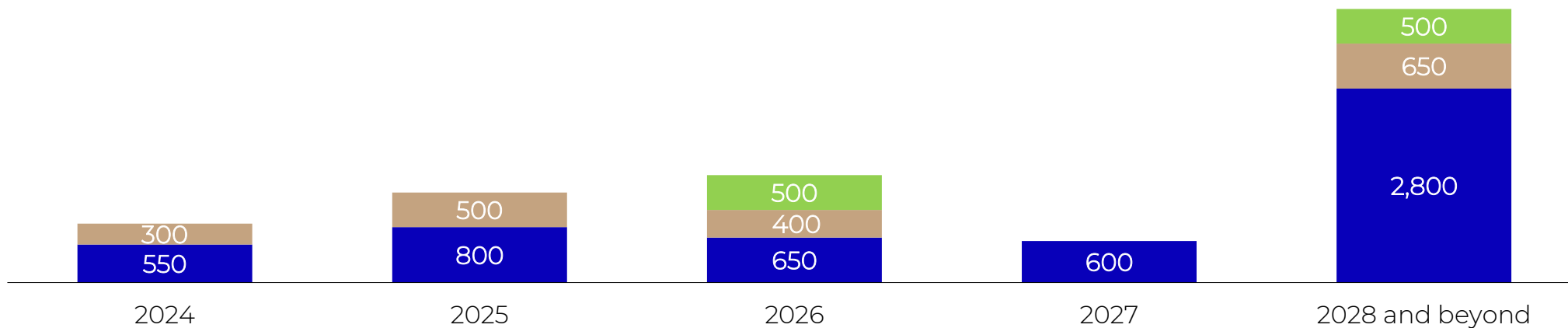
Revenues and costs per currency FY 2023



DEBT REDEMPTION PROFILE AT 30 JUNE 2024

Debt reimbursement profile⁽¹⁾

In €m



Bonds issued by Air France-KLM

June 2024:

AFKL 3.0% €300m⁽²⁾

January 2025:

AFKL 1.875% (€500m, initially €750m)

June 2026:

AFKL 3.875% (€300m, initially €500m)

December 2026:

AFKL 4.35% \$145m (-€136m)

May 2029:

AFKL 4.625% (€650m)

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

(2) Fully redeemed on July 1st, 2024



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