

Q3 2024 RESULTS



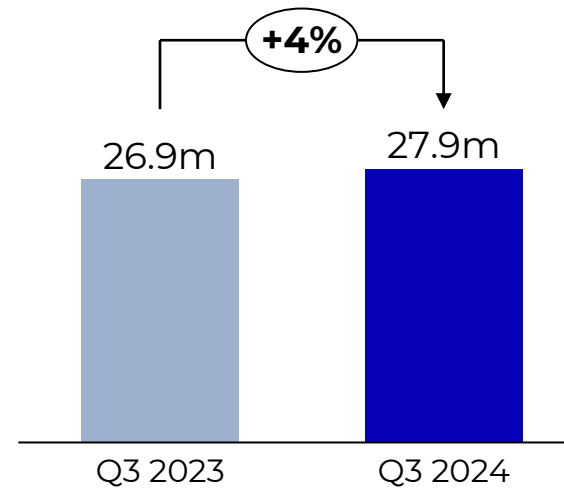
Q3 2024 HIGHLIGHTS

Benjamin Smith – Chief Executive Officer Air France-KLM

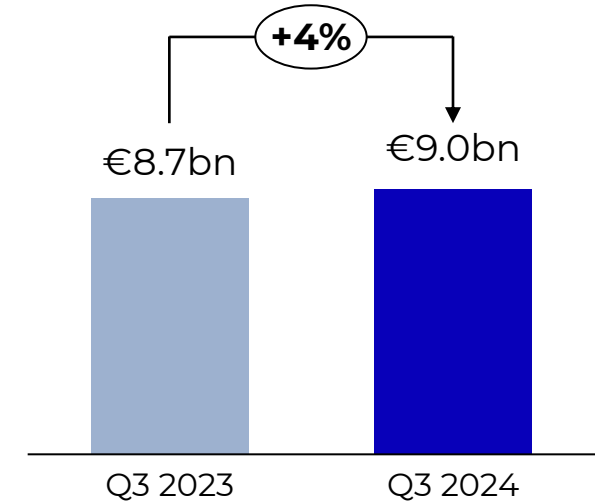
Q3 RESULTS HIGHLIGHTS

- **Operating result stood at €1.2bn, stable compared to last year** excluding Olympic Games €160m impact
- **Group revenue up 4%** compared to last year, in sync with capacity development
- Broadly **stable unit revenue** compared to Q3 2023, **up 1.4% excluding Olympic Games**
- **Unfavorable unit cost development** to be tackled, especially at **KLM** that has announced firm measures
- **Net debt/EBITDA ratio at 1.7x** in line with 1.5x-2.0x ambition
- **Codeshare with SAS AB went live with the latter joining Skyteam alliance**
- **Share of next generation aircraft is 24%** of total fleet, up by +5pts since Q3 2023
- **Agreement with TotalEnergies for up to 1.5 million tons of Sustainable Aviation Fuel** to be delivered over 10 years

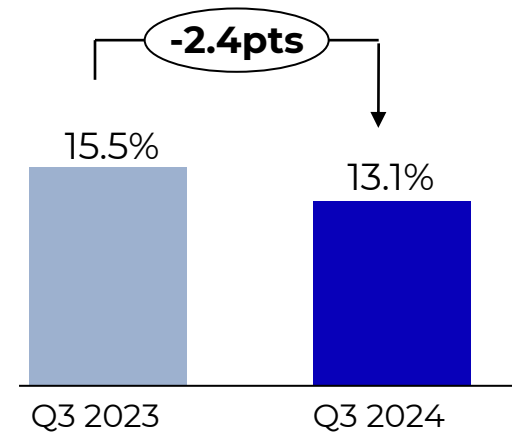
Passengers carried



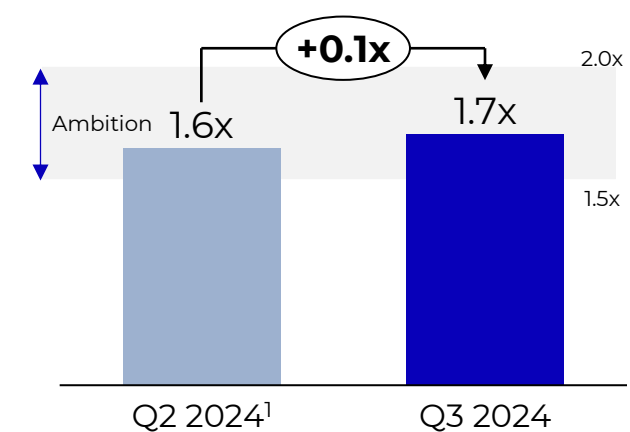
Group revenues



Operating margin



Net Debt/EBITDA Ratio



1) Last year net debt/EBITDA ratio was positively impacted by equity financings

THIS SUMMER OUR GROUP PUT HARD WORK TO MEET THE OPERATIONAL CHALLENGES. TRANSFORMATIONAL EFFORTS REMAIN PRIORITY



- **Successfully addressed** challenge of summer operations and **Paris 2024**
 - Transported 1 out of 5 athletes during OG, and 18K accredited persons & 38K bags
- **Great impact on Brand Image**
 - Palais de Tokyo pop-up
 - 10.5K visitors and served 1.1K covers in Air France ephemeral restaurant



- **Mixed landscape of summer operations**
- Announcement **“Back on Track”** program
 - Firm package of measures to strengthen operational and financial position
- **First A321neo arrival** into KLM fleet
- **Premium Comfort** further roll-out almost finalized



- **Revenue trends reveal significant improvements**
 - Record ancillaries per passenger increase of >40% vs. last year
- **Uneven operational performance**
 - Stable operational performance, in Paris especially during the Olympic Games
 - Challenging operations in Amsterdam
 - Both airlines hampered by external factors (geopolitics, ATC's)

Ongoing deliveries of A350, A220 and A320neo family aircraft across all airlines in Q3

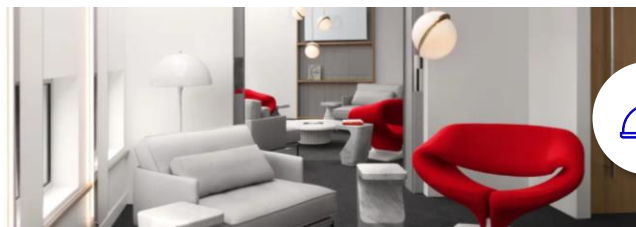
SAS commercial cooperation is live

Air France and KLM codeshare, SkyTeam Alliance and Flying Blue



SAS

WE CONTINUE UPLIFTING OUR CUSTOMER EXPERIENCE



Even more exclusive La Première luxury ground experience

Inauguration of private and confidential journey for La Première customers at Paris-Charles de Gaulle



Free ultra-high-speed Wi-Fi starting from 2025

Starlink to provide a “ground-like” (x100) in-flight internet access as of S25 completely free of charge across all Air France network



Flying Blue best airline loyalty program

According to **points.me**, grading program the highest score “Great” on 5 out of 7 criteria

AS THE WORLD'S LARGEST SAF PURCHASER¹ AMONG AIRLINES FOR 2 CONSECUTIVE YEARS, WE CONTINUE TO SECURE OUR SOURCING



Signature of a **SAF offtake agreement with TotalEnergies**, for the supply of **up to 1.5 million tons of SAF over 10 years**, increasing the Group's planned **direct contribution to its' homebase economies**

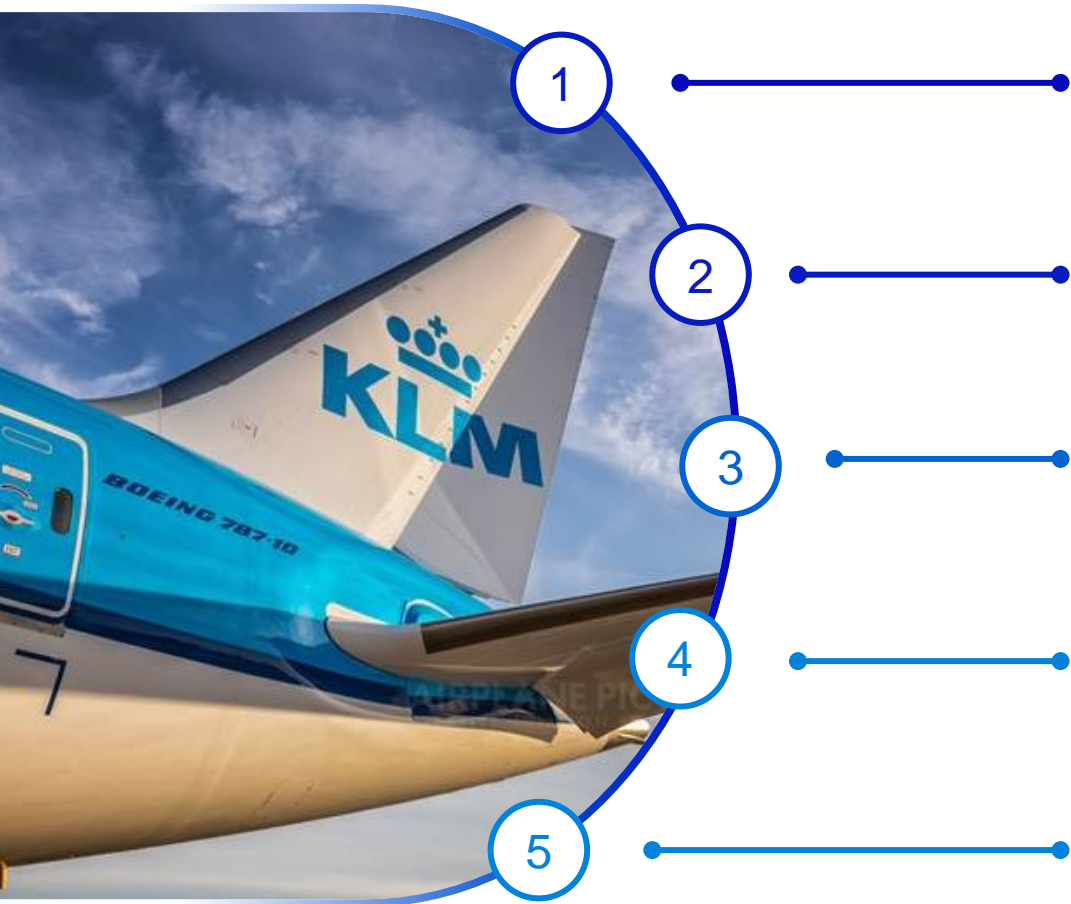


Several strategic agreements signed across the globe to push forward SAF production initiatives, including: **SAF+ International Group, Raven, DG Fuels, KerEauzen (ENGIE), Take Kair (EDF), BioTJet, Neste, OMV**



We multiply our efforts in **advocating for a level-playing field across national and global platforms**: in favor of harmonized and aligned industrial mechanisms

KLM'S 'BACK ON TRACK' TARGETS €450M SHORT-TERM EBIT IMPROVEMENT AND EBIT MARGIN ABOVE 8% BY 2026-2028



Increase productivity

- Improve labor productivity in 2025 by 5%, saving €200M
- Focus and advancement on structural improvement projects
- To be included in collective labor agreement discussion

Increase revenues

- Increase revenues by at least by at least €100m with increased focus on ancillaries, dynamic pricing and premium product.
- Start test paid catering Q1 2025

Increase operational capacity

- Secure long haul production capacity growth
- Enhance fleet availability

Reconsider business mix

- Optimize the contribution of E&M, Cargo and Transavia
- Explore strategic options for KLM Catering Services

Reconsider Capex

- Run CAPEX prioritization program to improve Free Cash Flow

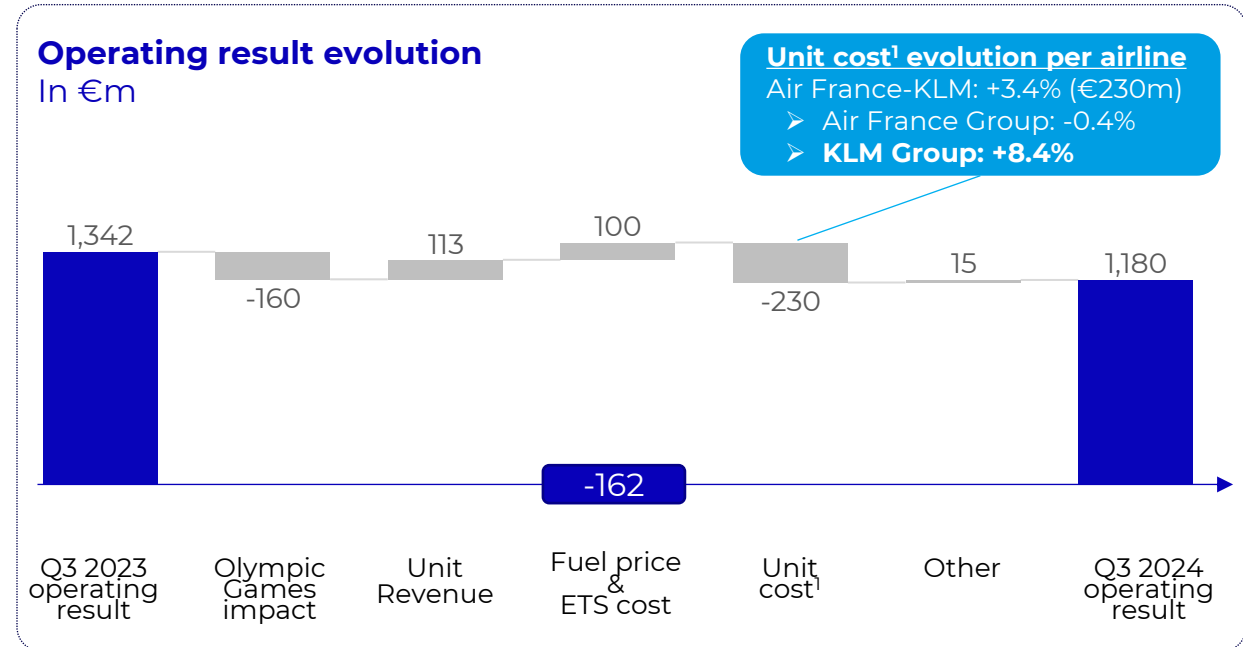
Q3 2024 FINANCIAL RESULTS

Steven Zaat – Chief Financial Officer Air France-KLM

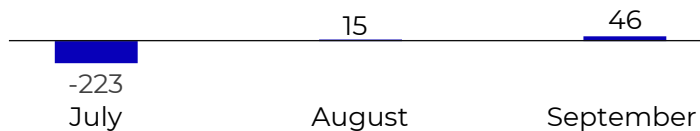
UNDERLYING UNIT REVENUE TREND FAVORABLE

UNFAVORABLE UNIT COST DEVELOPMENT AT KLM

	Q3 2024	Q3 2023	Change
Revenues (€ m)	8,979	8,660	+3.7%
Operating expenses (€ m)	7,083	6,667	+6.2%
EBITDA (€ m)	1,896	1,993	-97
Operating result (€ m)	1,180	1,342	-162
Operating margin	13.1%	15.5%	-2.4 pt
Net income for the period (€ m)	824	946	-122



Operating result Year-on-Year evolution (€m) normalized after Olympic Games








Operating result stable excluding Olympic Games impact

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

REVENUE GROWTH IN LINE WITH CAPACITY DEPLOYMENT

TRANSAVIA WELL ORIENTED & CARGO REBOUND

Q3 2024 vs Q3 2023		Capacity ¹	Unit Revenue ² Constant Curr.	Revenues (€ m)	Change	Operating result (€ m)	Change	Operating margin	Change
Network		+3.4%	-1.8%	6,783	+2.1%	899	-192m	12.2%	-2.9 pt
		+1.5%	+6.3%	561	+0.6%				
Transavia		+4.5%	+5.0%	1,118	+10.3%	225	+37m	20.1%	+1.6 pt
Maintenance				507	+16.0%	58	-5m	4.7% ³	-1.3 pt
Group		+3.6%	-0.6%	8,979	+3.7%	1,180	-162m	13.1%	-2.4 pt

Corrected for the Olympic Games impact:

- Passenger unit revenue at **+0.1%** & operating margin for network at **13.7%**
- **Transavia unit revenue at +8.2%** & operating margin at **22.6%**




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

OPERATING RESULT IMPACTED BY STRONG COST PRESSURE AT KLM AND BY THE OLYMPIC GAMES AT AIR FRANCE

Q3 2024 vs Q3 2023	Capacity change	Revenues (€ m)	Change ² YoY	Operating result (€ m)	Change ² YoY	Operating margin	Change ² YoY
AIRFRANCE 	+5.9%	5,543	+3.1%	732	-74	13.2%	-1.8 pt
	+0.2%	3,549	+3.6%	396	-143	11.1%	-4.6 pt
		200 ¹		55	+55	27.5%	
AIRFRANCE KLM GROUP	+4%	8,979	+4%	1,180	-162	13.1%	-2.4 pt

- **Air France** was affected by the Olympic Games (c.€160m unit revenues)
- **KLM** : no capacity growth due to shortage of pilots and maintenance issues, and CLA implementation in October 2023 impacting unit cost. “Back on track” action plan announced while unit revenue positive at +2%
- **Flying Blue**: strong performance benefiting from good momentum of the commercial partnerships (incl. Uber and Revolut)

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

ROBUST UNDERLYING YIELD DEVELOPMENT

Q3 2024 vs Q3 2023

Total

89%

+1.5%

3.6%

-0.5 pt

-0.6%

Premium¹

76%

6.5%

-1.0 pt

2.6%

Economy¹

91%

3.1%

-0.1 pt

-3.4%

Total Long-Haul

90%

4.0%

-0.5 pt

-0.5%

-2.8%

Short & Medium-Haul¹

85%

1.0%

0.6 pt

+1.5%

0.5%

Transavia

90%

4.5%

-1.5 pt

+10.1%

6.8%

North America

90%

6.4%

-0.5 pt

-2.4%

Caribbean & Indian Ocean

88%

3.2%

-2.3 pt

-0.5%

Asia & Middle East

90%

9.4%

0.5 pt

-7.4%

South America

92%

-1.3%

-1.3 pt

-1.3%

Africa

90%

-4.3%

0.9 pt

1.2%

1) Air France-KLM network, excluding Transavia



ASK

xx pt Load factor change



Yield ex currency

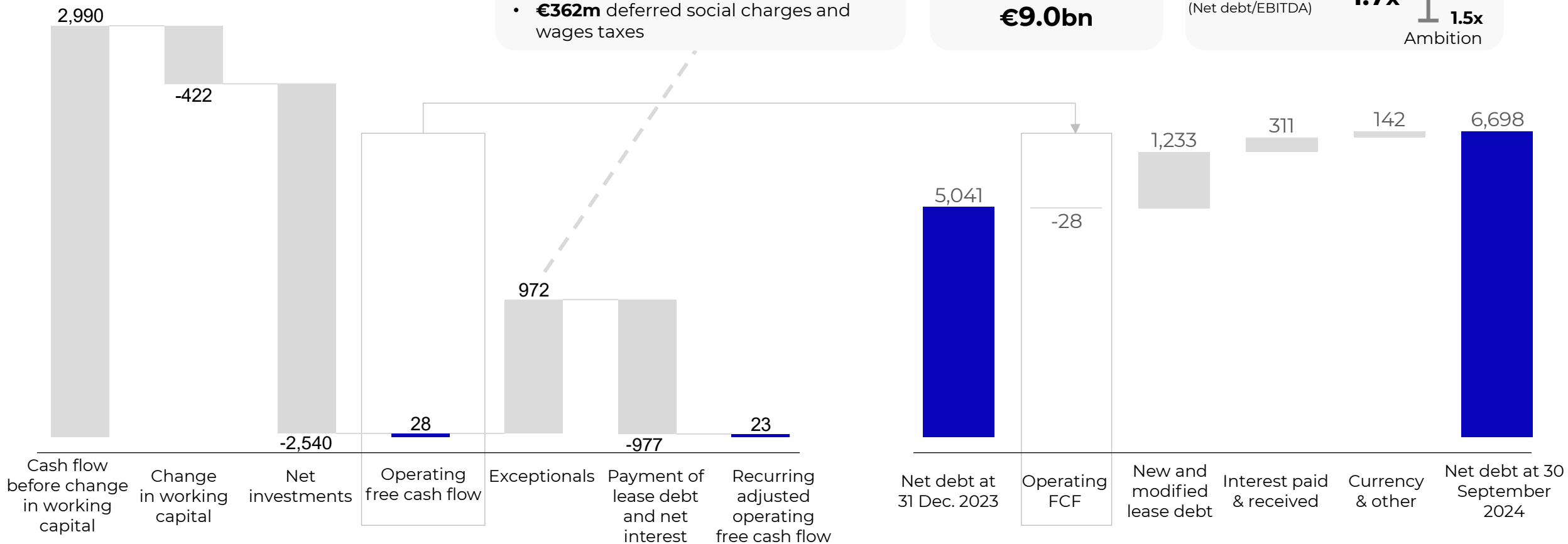
xx% Actual Load factor



Yield excl Olympic Games impact

9M: LEVERAGE RATIO IN LINE WITH AMBITION

9m 2024 Free cash flow evolution
In € m



Exceptionals:

- €610m one-time payment to the Air France flight crew pension fund (CRPN)
- €362m deferred social charges and wages taxes

Solid Cash at hand at end September

€9.0bn

Leverage ratio
(Net debt/EBITDA)

1.7x

2.0x
1.5x
Ambition

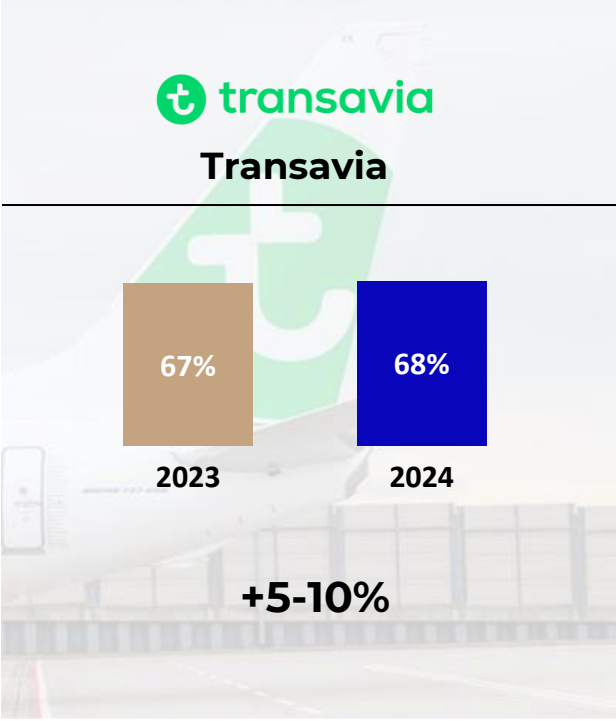
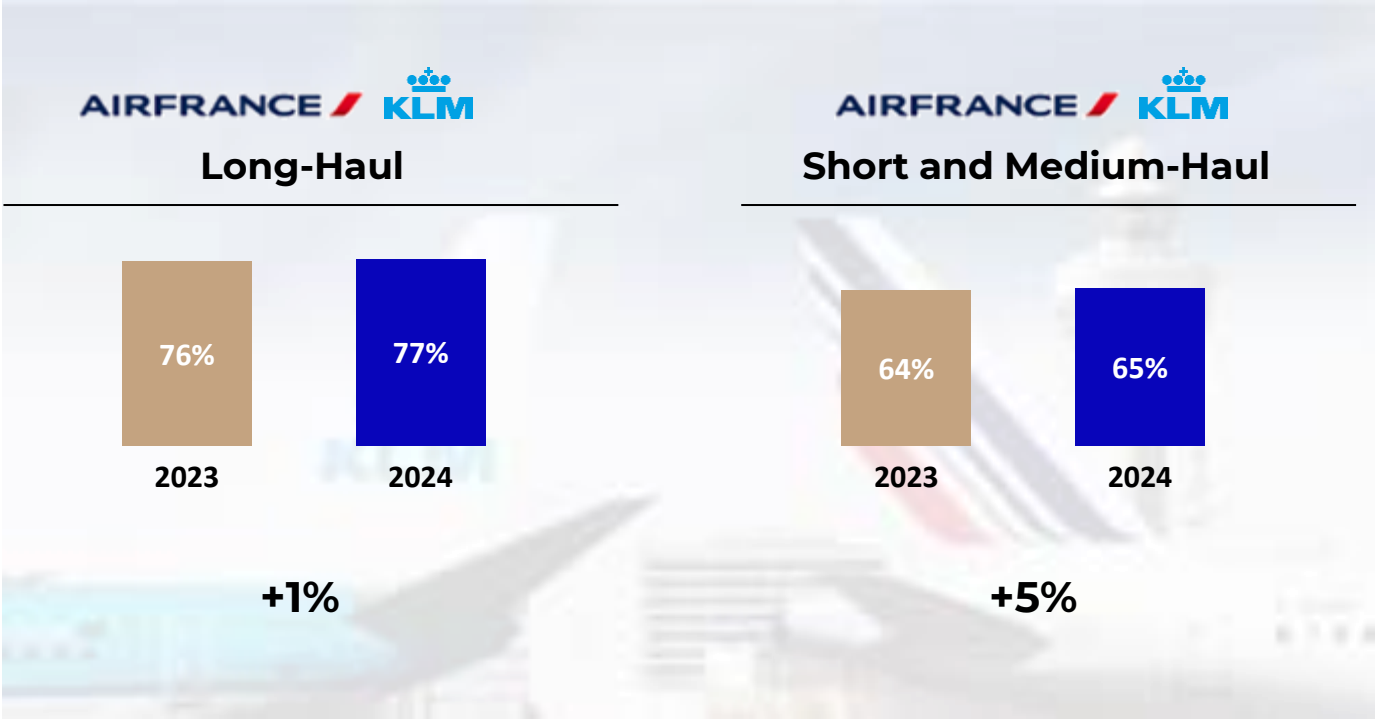
OUTLOOK

Steven Zaat – Chief Financial Officer Air France-KLM

Q4 BOOKINGS PROMISING AS CAPACITY FURTHER INCREASES

Q4

Q4 2024 Capacity
(vs. 2023)



Forward booking load factor 2023

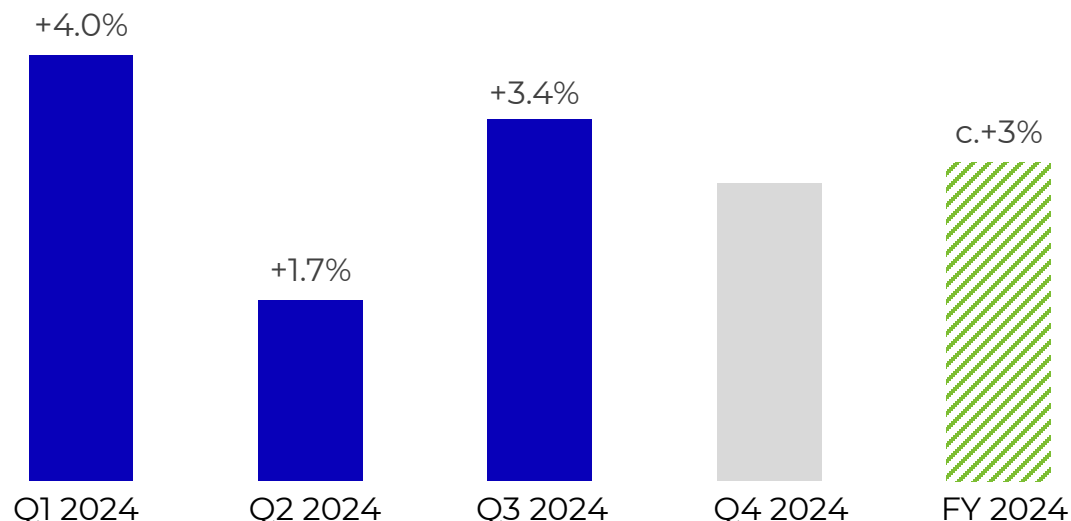
Forward booking load factor 2024

Snapshot of the 29th of October 2023 and 2024

FULL YEAR UNIT COST OUTLOOK AT +3% COMPARED TO 2023

2024 Quarterly unit cost¹ per ASK evolution

In % year-over-year



1) Against a constant fuel price, constant currency and excluding ETS contribution versus 2023
2) Initially communicated €10m impact

Q3 Unit cost

- Initial estimation of 2%, including one-time payment of €50m (0.7%) to Air France staff related to Olympic Games
- 1.4% increase compared to guidance:
 - Difficult operations resulting in additional disruption cost €65m, mainly at KLM and Transavia
 - Crowdstrike impact² €25m
 - Capacity Transavia 3% below expectations, impact Group unit cost €15m
 - Overall, unit cost KLM Group +8.4% and AF Group -0.4%, resulting in a Group CASK of +3.4%

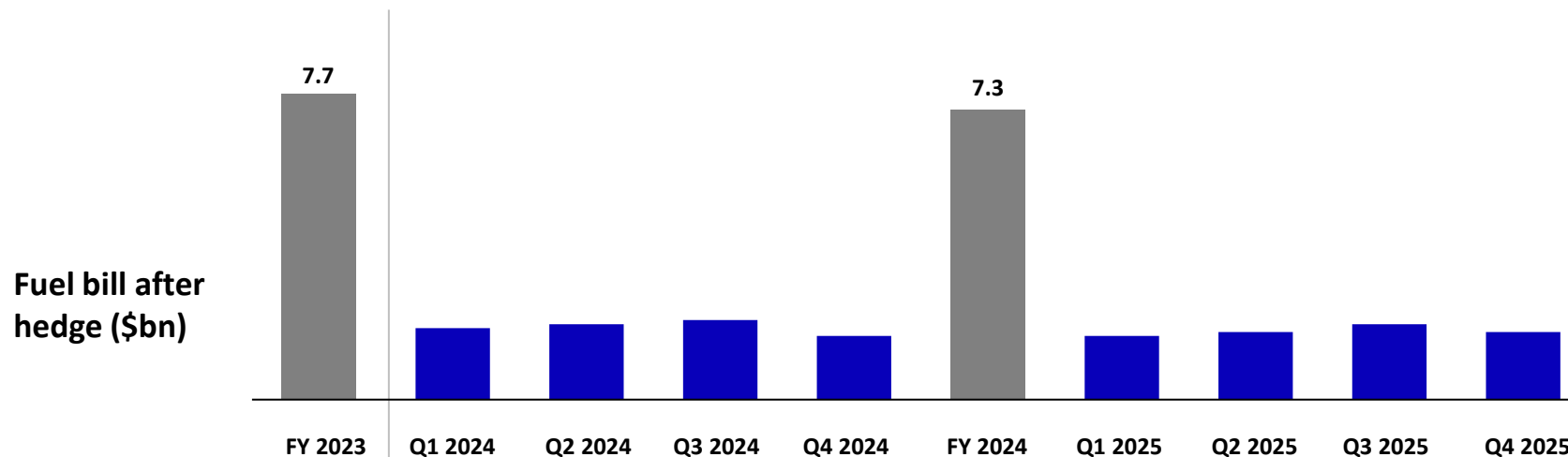
Q4 Unit cost

Increase compared to previous estimation mainly at KLM and due to:

- Less capacity than anticipated
- additional **maintenance cost** mainly on component business:
 - Supply chain issues
 - Higher cost due to delay in recovery of non-performance cost
 - Higher external repair cost
 - B787 components contracts to be renegotiated

70% HEDGED FOR 2024 AND 50% FOR 2025

TOTAL FUEL BILL BELOW LAST YEAR WHILE CAPACITY INCREASED



		FY 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Market price	Brent (\$ per bbl)	82	82	85	79	74	80	72	72	71	71
	Jet fuel (\$ per metric ton)	962	947	907	855	785	872	790	789	791	791
Price after hedge	Jet fuel (\$ per metric ton)	964	938	904	874	812	881	812	804	800	796
	% of consumption already hedged	71%	72%	69%	70%	69%	70%	70%	58%	43%	30%
	Hedge result (in \$ m)	-17	18	6	-43	-55	-74	-42	-33	-19	-9

Based on forward curve at 1st November 2024.
Jet fuel price including into plane cost, excluding SAF premium.

OUTLOOK 2024

2024

Group Capacity

+4% vs. 2023

Unit cost¹

+c.3% (previously: +2%)

Net Capex

€3bn (previously below €3bn)
Due to timing effects



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

PROPOSED INCREASE OF THE FLIGHT TAX IN FRANCE WOULD IMPACT THE GROUP'S PROFITABILITY AND COMPETITIVENESS

Currently discussed in the French Parliament for the 2025 budget, the aviation tax ("TSBA") increase on all flights departing from France could result in a **negative impact on key strategic domains of our Group:**



higher fares

reducing accessibility of air travel in Air France main market



reduced profitability

due to limitation of price elasticity, preventing the full transfer of charges to customers,



hamper our ability to deliver our sustainability trajectory,

without any benefit to the environment unless collected tax is allocated to the decarbonation of the aviation



further reduction of competitiveness

of France-based carriers **thus increasing competitive distortion**

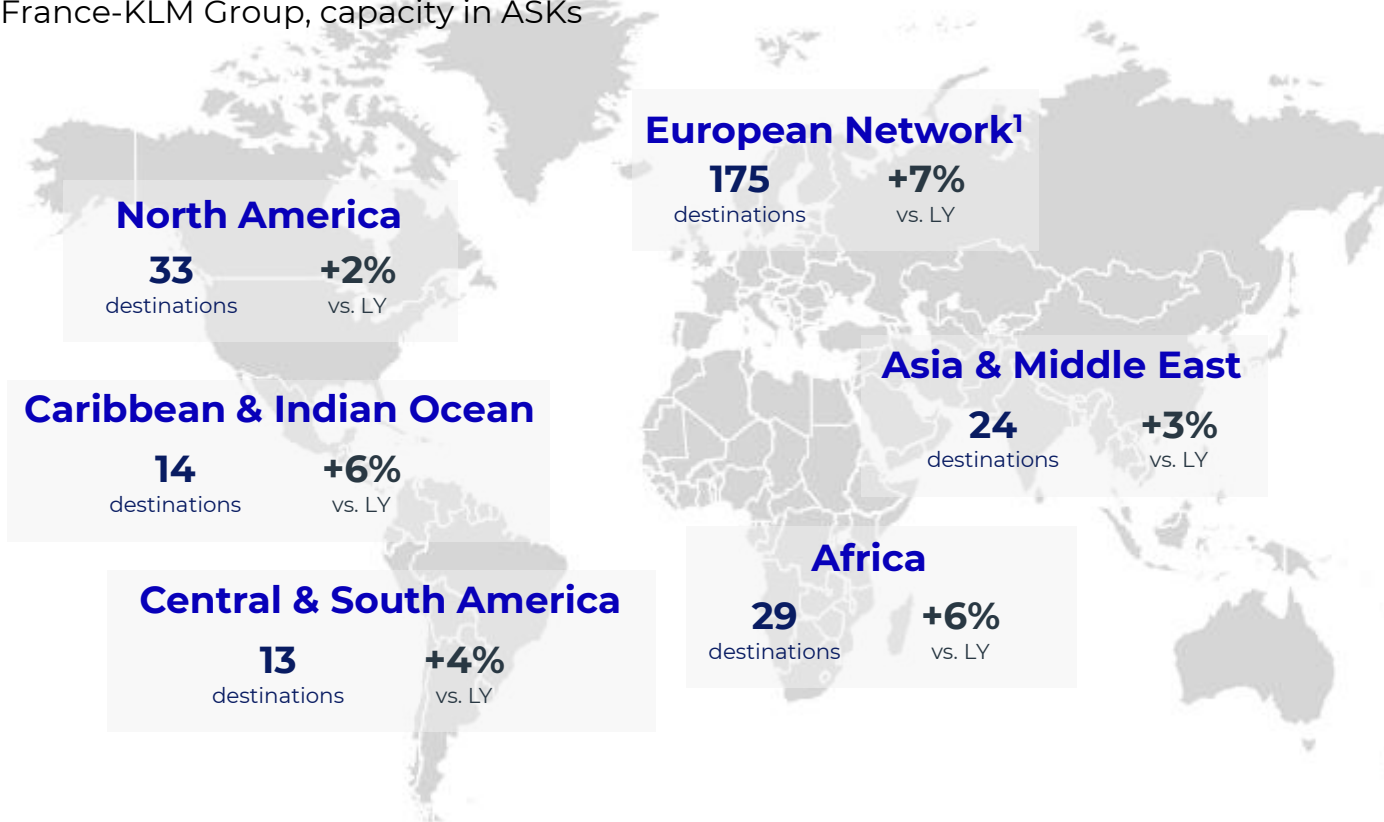
Projected incremental tax of €280m

Potential 2025 negative impact vs 2024: **€90-€170m on the operating result**

AIR FRANCE-KLM CONTINUE STRENGTHENING THE POSITION ON ITS' MAIN MARKETS

Winter 24/25 Season Capacity & Destinations

Air France-KLM Group, capacity in ASKs



Asia: opening of Manila, ongoing capacity recovery
South America: opening of Salvador de Bahia
Africa: opening of Kilimanjaro
Caribbean and Indian Ocean: opening Malé
Medium Haul: opening of Kiruna

North America: opening of Portland and Tampa
Asia: continuous capacity recovery

France: opening of Jeddah among 20+ other routes
Netherlands: extension of Granada and Tbilisi from summer season

1) Combination of Air France and KLM Short & Medium haul networks and Transavia networks

TO CONCLUDE



Successful operational contribution to Paris 2024

- Showcase our sense of service and operational expertise
- Remarkable contribution of our employees to shine the light on France globally
- Long-lasting positive effect



Our strategic priorities deliver great achievements

- Operational and product excellence
- The best-in-class loyalty system worldwide
- Unique positioning of airlines, complementarity of strategic partners



We maintain our medium-term profitability target

- Ongoing implementation of transformation initiatives across the Group, with recent decisive actions from KLM to curb rising costs



Generating value with a more sustainable aviation

- Increasing share of next-gen aircraft
- SAF procurement and underscoring commitment to building robust SAF supply chains
- Advocating for level-playing field and productive competitive environment

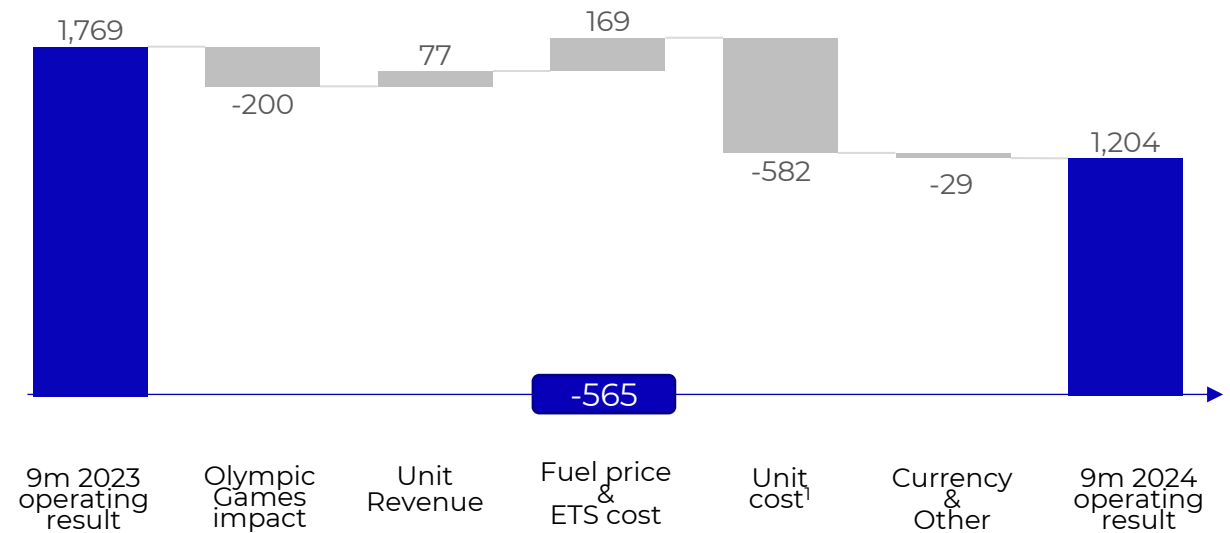


APPENDIX

9M 2024 RESULTS






	9m 2024	9m 2023	Change
Revenues (€ m)	23,582	22,612	+4.3%
Operating expenses (€ m)	20,341	19,005	+7.0%
EBITDA (€ m)	3,241	3,607	-366
Operating result (€ m)	1,204	1,769	-565
Operating margin	5.1%	7.8%	-2.7 pt
Net income for the period (€ m)	510	1,221	-711

Operating result evolution
In € m



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

9M 2024 BUSINESSES CONTRIBUTION

9m 2024 vs 9m 2023		Capacity ¹	Unit Revenue ² Constant Curr.	Revenues (€ m)	Change	Operating result (€ m)	Change	Operating margin	Change
Network		+3.3%	-0.2%	17,959	+2.9%	990	-644m	5.0%	-3.4 pt
		+2.1% ³	-9.6%	1,669	-9.2%				
Transavia		+8.7%	+5.3%	2,424	+15.2%	86	+70m	3.6 %	+2.8 pt
Maintenance				1,508	+26.6%	123	-1m	3.4% ⁴	-0.7 pt
Group		+4.1%	-0.6%	23,582	+4.3%	1,204	-565m	5.1%	-2.7 pt

Air France-KLM passenger network + cargo = network




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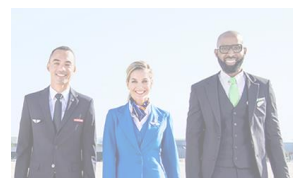
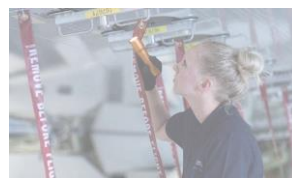
2) Unit revenues = revenue per ASK, Cargo unit revenues = Cargo revenue per ATK, Group unit revenue = (Network traffic revenues + Transavia traffic revenues) / (Network Passenger ASK + Transavia ASK).

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

9M 2024 AIRLINE AND FLYING BLUE RESULTS

9m 2024 vs 9m 2023	Capacity change	Revenues (€ m)	Change ² YoY	Operating result (€ m)	Change ² YoY	Operating margin	Change ² YoY
AIRFRANCE 	+5.0%	14,377	+2.9%	678	-429	4.7%	-3.2 pt
	+2.7%	9,553	+5.5%	365	-303	3.8%	-3.6 pt
		604 ¹		156	+156	25.8%	
AIRFRANCE KLM GROUP	+4.1%	23,582	+4.3%	1,204	-565	5.1%	-2.7 pt



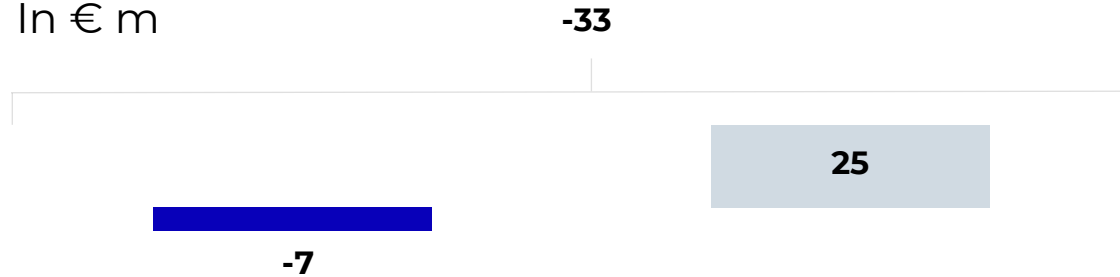
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2) Airlines 2023 results were still including Flying Blue figures, resulting in a negative impact in the change columns

CURRENCY IMPACT ON OPERATING RESULT

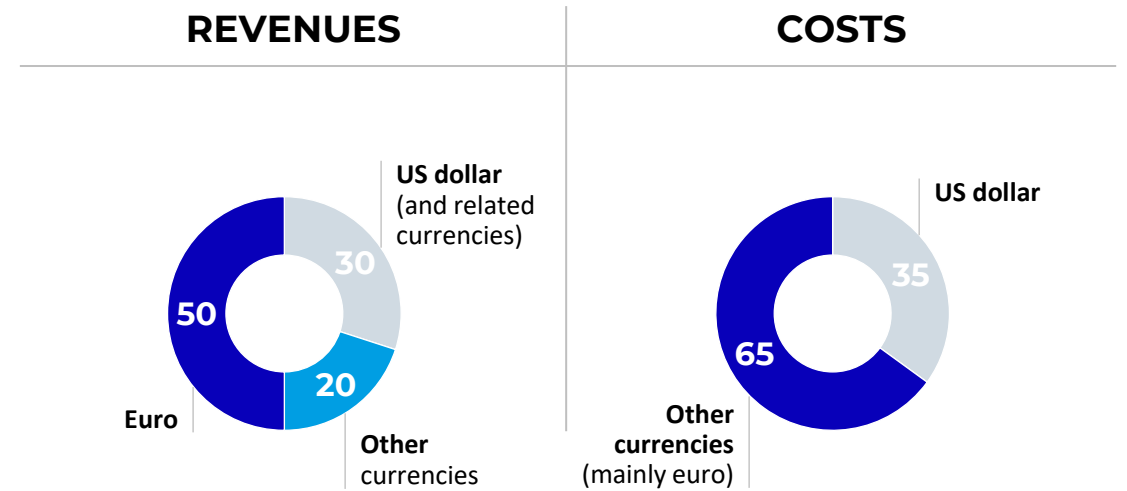
Currency impact
on revenues and costs
In € m



Q3 2024

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

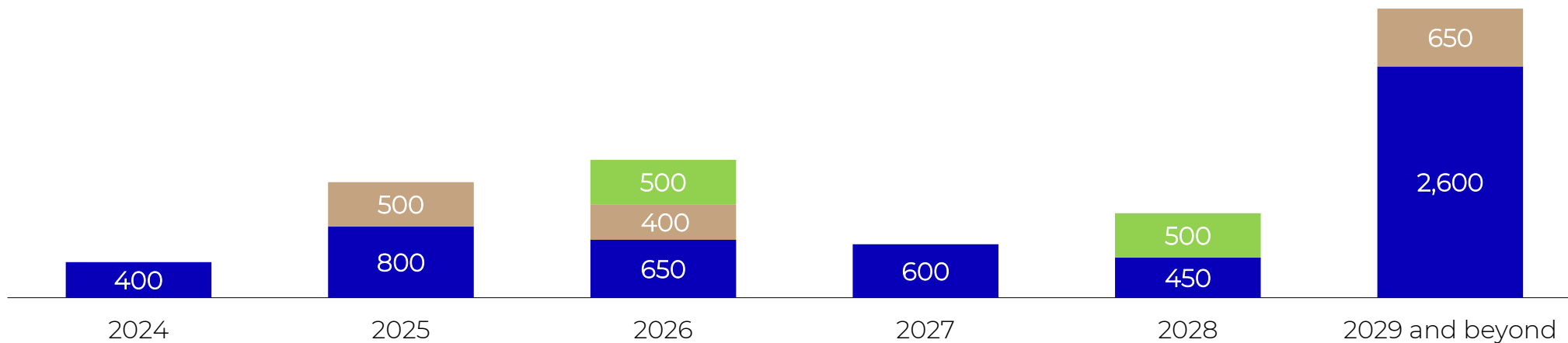
Revenues and costs per currency FY 2023



DEBT REDEMPTION PROFILE AT 30 SEPTEMBER 2024

Debt reimbursement profile⁽¹⁾

In €m



Bonds issued by Air France-KLM

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



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