

## THIRD QUARTER 2023

October 27, 2023

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### Solid performance translating in a record operating profit

### Operating margin at 15.5% driven by strong summer demand

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- Group capacity at 94% compared to 2019 with load factor at 90%
- Group revenues at €8.7bn, up 7% compared to last year
- Operating result at €1.3bn with an operating margin at 15.5%
- Adjusted operating free cash flow at -€0.4bn driven by seasonal reversal of working capital and cash at hand at €10.2bn (including RCF)
- Net debt down by €1.3bn, compared to end of 2022 leading to a Net debt/EBITDA ratio of 1.1x
- Net income at €0.9bn, up €0.5bn compared to last year and further supporting equity restoration
- Post-quarter events:
  - Air France-KLM to take up to a maximum 19.9% non-controlling stake in the share capital of the reorganized SAS AB, subject to approvals and conditions.
  - Air France-KLM signed a definitive agreement for a quasi-equity financing for €1.3 billion, with a potential upside €1.5 billion

#### Commenting on the results, **Mr. Benjamin Smith, Group CEO**, said:

*“Air France-KLM delivered a solid quarter, marked by remarkable results. This performance was driven by strong summer demand. I would like to thank all our teams for their unfailing commitment during the season. Throughout the quarter, we also made significant progress on our sustainable strategic roadmap. Our landmark order for 50 Airbus A350 aircraft will significantly accelerate the renewal of our long-haul fleet, with more fuel-efficient, cost-effective and quieter aircraft. This new order represents a multi-billion investment to our sustainability roadmap, coming on top of previous orders for new generation widebody and narrowbody aircraft, and is complementary to our Sustainable Aviation Fuel commitments. It confirms our ambition to reach 64% of next generation aircraft by 2028 and is another major step towards our target of reducing our CO<sub>2</sub> emissions per passenger kilometer by 30% by 2030. We have also continued our efforts to further restore our equity, while leveraging the value of the Group's assets, as illustrated by a non-dilutive financing agreement of our Flying Blue Loyalty program. Finally, we initiated a process to acquire up to 19.9% in SAS, with an option to increase our share after two years. By investing in SAS, we intend to enhance our offer and connectivity in the Nordics.”*

## Strong summer demand resulting in a record operating profit in Q3

	Current quarter			Year to date		
	2023	change	change constant currency	2023	change	change constant currency
Revenues (€m)	8,660	+6.8%	+8.9%	22,612	+17.4%	+18.2%
EBITDA (€m)	1,993	316	294	3,607	778	782
Operating result (€m)	1,342	318	295	1,769	709	714
Operating margin (%)	15.5%	+2.9pt	+2.3pt	7.8%	+2.3pt	+2.3pt
Net income - Group part (€m)	931	471		1,190	958	
Adj. operating free cash flow (€m)	(434)	(724)		806	(1,647)	

	30 Sep 2023	31 Dec 2022
Net Debt	5,002	6,337
EBITDA trailing 12 months	4,393	3,615
Net Debt/EBITDA ratio	1.1x	1.8x

In the third quarter, revenues were up +8.9% at a constant currency compared to Q3 2022, driven by a strong summer demand. The operating result rose by €318 million supported by a combination of an increase in capacity (+6%), a higher passenger load factor (+1.3 pt) and a continued high passenger yield (+1.8%). This strong performance enabled the Group to offset the decrease of Cargo revenues and the inflation. As a consequence, the operating margin stood at 15.5%, a significant improvement of +2.9pt compared to last year.

Net income stood at €931 million, up by €471 million, further supporting the equity restoration.

The adjusted operating free cash flow decreased to -€434 million due to seasonality in the ticket sales. The net debt ended at €5.0 billion, an improvement of €1.3 billion compared to year end 2022.

## Passenger unit revenue driving the group unit revenue increase

	Current quarter			Year to date		
	2023	change	change constant currency	2023	change	change constant currency
Passengers (thousands)	26,904	+7.6%		71,218	+14.3%	
Capacity (ASK m)	84,754	+6.0%		232,481	+10.6%	
Traffic (RPK m)	76,025	+7.6%		204,443	+16.7%	
Passenger load factor	89.7%	+1.3pt		87.9%	+4.6pt	
Passenger unit revenue per ASK (€ cts)	8.87	+3.3%	+5.0%	8.24	+12.9%	+13.5%
Group unit revenue per ASK (€ cts)	9.39	-1.1%	+0.8%	8.88	+5.7%	+6.5%
Group unit cost per ASK (€ cts) at constant fuel <sup>1</sup>	7.80	-4.9%	+3.6%	8.12	+2.8%	+5.1%

<sup>1</sup> change is nominal and not corrected for fuel price

In the third quarter 2023, Air France-KLM welcomed 26.9 million passengers which is 7.6% above previous year. As capacity increased by 6.0% and traffic grew by 7.6%, the load factor increased by 1.3 points compared to last year.

The Group reached a very strong group passenger unit revenue per ASK, up +3.3% compared to last year. This increase was driven by an increase in load factor on the Long-haul, Short & Medium-haul and Transavia, and an increase in yield on the North Atlantic, Africa, Caribbean & Indian Ocean and Short & Medium-haul.

Group unit cost per ASK at constant fuel and constant currency is up 3.6% versus last year (3.4% excluding furlough), showing an improvement compared to Q2 2023 and in line with the trajectory announced during the previous results presentation. Group unit cost per ASK increase was driven by an increase in salary cost, which was partly compensated by a higher productivity, profit sharing and flight related cost. The change year-over-year in Group's unit cost per ASK is expected to further decrease in the fourth quarter and the low-single digit increase outlook provided remains unchanged.

**Equity restoration: Air France-KLM and Apollo Global Management sign a definitive agreement for a quasi-equity financing for €1.3 billion, with a potential upside to €1.5 billion**

On October 26<sup>th</sup>, 2023, Air France-KLM and Apollo Global Management (NYSE: APO) announced having signed a definitive agreement between Apollo-managed funds and entities and a dedicated operating affiliate of Air France-KLM regarding a €1.3 billion financing, accounted as quasi-equity under IFRS, with the option for Apollo to increase the nominal amount up to €1.5 billion in total, prior to closing.

This dedicated operating affiliate of Air France-KLM will hold the trademark and most of the commercial partners contracts related to Air France and KLM's joint loyalty program (Flying Blue). The affiliate will become the exclusive issuer of miles for the airlines of the Group and partners, enabling Flying Blue's scalability and enhancing its growth prospects.

Under the agreement, Apollo-managed funds will subscribe to perpetual bonds issued by this dedicated operating affiliate. The financing will be accounted as equity under IFRS and is non-dilutive to shareholders. The structure is similar to two previous financings raised by Air France on its pool of spare engines in July 2022 and its maintenance activity components in July 2023.

This transaction will allow Air France-KLM to make an additional step towards its commitment to restore its IFRS equity and strengthen its balance sheet, in addition to net profit generation.

The perpetual bonds will bear a coupon of 6.4% for the first four years, with the ability to redeem with an overall financing cost of 6.75% on the first call date.

Air France-KLM will continue to manage and operate its loyalty program Flying Blue, and Air France and KLM will keep full ownership rights of their customer database.

The agreed structure will incur no changes for Flying Blue members. It will not affect social aspects for Air France, KLM or Air France-KLM employees' contracts.

### **Air France-KLM to team up with SAS AB through equity and commercial cooperation**

On October 3<sup>rd</sup>, 2023, Air France-KLM announced its intention to take up to a maximum 19.9% non-controlling stake in the share capital of the reorganized SAS AB, subject to approvals and conditions. Via this minority stake, the Group's ambitions is to enhance its footprint in Scandinavian markets through a commercial cooperation between its airlines and SAS AB.

Should this transaction be approved and all the other conditions (including regulatory clearances and cancellation of all existing shares of stock of SAS AB) be satisfied, the Consortium, together with the Danish State, would invest USD 1.175 billion of which USD 475 million in common shares and USD 700 million in the form of secured convertible bonds.

Air France-KLM's investment would represent a total of USD 144.5 million, of which USD 109.5 million would be invested in common shares and USD 35 million would be provided in the form of secured convertible bonds. Definitive agreements between the members of the Consortium would include specific provisions whereby Air France-KLM's stake may be increased such that Air France-KLM may become a controlling shareholder, after a minimum of two years, subject to among other things, certain regulatory conditions and financial performance.

Air France-KLM's investment will be in line with the Group's medium-term outlook.

In parallel to the transaction, and subject to the satisfaction of certain conditions including SAS AB's exit from Star Alliance, Air France-KLM will seek to establish a commercial cooperation between its airlines and SAS AB. In doing so Air France-KLM will strengthen its footprint in Scandinavian markets, where the SAS brand and loyalty program are well-established. Such commercial cooperation would benefit Scandinavian customers through extended connectivity and broader access to the worldwide network of Air France-KLM.

### **Air France-KLM launches a global employee share purchase plan**

On September 28<sup>th</sup>, 2023, Air France-KLM launched "Partners for the future", an employee share purchase plan offered to around 75.000 eligible employees (circa 95% of the group's workforce) in around 20 countries.

The objective of this plan is to strengthen the link between Air France-KLM and its employees by giving them a long-term stake in the Group's objectives, performance and future success.

The proposed shares will be issued as part of a capital increase that may not exceed 3% of Air France-KLM's share capital. This operation is carried out in accordance with the 34<sup>th</sup> and 35<sup>th</sup> resolutions of the Annual General Meeting of June 7, 2023.

### **Air France-KLM reverse share split and capital reduction**

On August 31<sup>st</sup>, 2023, Air France - KLM announced the completion of the reverse share split of all outstanding shares of the Company and the simultaneous acknowledgment of the capital reduction by reduction of the nominal value of each share, as decided by the Board of Directors at its meeting on 4 July 2023 and in accordance with the 36th and 37th extraordinary resolutions of the Combined General Meeting of 7 June 2023.

These transactions result in:

- The exchange of 10 ordinary shares in the Company with a par value of €1 each for 1 new share with a par value of €1 (taking into account the simultaneous capital reduction reducing the par value of each new share from €10 to €1, i.e. a reduction of €9 per share allocated to the "share premium" account).
- The Company's share capital standing at 257,053,613 euros divided into 257,053,613 shares (ISIN code FR001400J770) with a par value of 1 euro each.

## **2023 OUTLOOK UNCHANGED**

### **Capacity**

The Group expects the capacity in Available Seat Kilometers for Air France-KLM Group including Transavia at an index of:

- Above 95% for the fourth quarter of 2023
- Circa 95% for the Full Year 2023

All indices compared to the respective period of 2019.

### **Unit cost<sup>2</sup>**

The Group expects a low single digit increase compared to 2022.

### **Capex**

Full year 2023 net capex is estimated at 3.0 billion euros.

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<sup>2</sup> against a constant fuel price, constant currency and excluding furlough contribution

## Business review

## Network: Operating result more than doubled

Network	Current quarter			Year to date		
	2023	change	change constant currency	2023	change	change constant currency
Traffic revenues (€m)	6,919	+3.4%	+5.5%	18,505	+16.4%	+17.3%
Total revenues (€m)	7,199	+4.2%	+6.3%	19,294	+16.6%	+17.4%
Operating result (€m)	1,091	+240	+211	1,634	+740	+730
Operating margin (%)	15.2%	2.9 pt		8.5%	3.1 pt	

Compared to the third quarter 2022, total revenues increased by +4.2% to €7,199 million. The operating result improved by €240 million and amounted to €1,091 million. The increase in revenues was driven by the network passenger business while the Cargo revenues declined compared to the third quarter last year due to a further normalization of the market.

## Robust growth in unit revenue

Passenger network	Current quarter			Year to date		
	2023	change	change constant currency	2023	change	change constant currency
Passengers (thousands)	19,836	+4.5%		54,366	+12.1%	
Capacity (ASK m)	71,038	+4.6%		199,728	+9.6%	
Traffic (RPK m)	63,523	+6.0%		174,807	+15.5%	
Load factor	89.4%	1.1pt		87.5%	4.5pt	
Total passenger revenues (€m)	6,641	+9.3%	+11.2%	17,457	+25.6%	+26.4%
Traffic passenger revenues (€m)	6,480	+8.5%	+10.6%	17,002	+25.2%	+26.0%
Unit revenue per ASK (€ cts)	9.12	+3.7%	+5.7%	8.51	+14.2%	+14.9%

Third quarter 2023 capacity in Available Seat Kilometers (ASK) was 4.6% higher than last year and at 89% of 2019 level, which is in line with the Group's guidance provided during the second quarter 2023 results presentation (c.90% versus 2019). Higher traffic (+6.0%) than capacity growth has led to an increase in load factor of 1.1 point, resulting in a total load factor of 89.4% while yield continued to rise (+4% against a constant currency).

This performance had a positive impact on Unit revenue per ASK which rose by 5.7% at a constant currency.

During the third quarter we observed per area the following trends:

#### North Atlantic

Demand recovery continued to be driven by Point of Origin North America. Yield increased by 6% at a same capacity and load factor level (91%). Corporate traffic stood at 80% of 2019 levels.

#### Latin America

Demand remained very strong over the summer, enabling to maintain yield performance versus high summer 2022 reference on traffic growth +10% (on capacity +9%) reaching a load factor at 93%.

#### Asia & Middle East

Capacity in the third quarter has significantly increased versus 2022 by 49%, mainly driven by China and Japan. Nevertheless, this is still -33% below 2019 levels. Due to this significant increase in capacity, yield slightly decreased by -1% compared to last year (but still 39.5% above 2019 level), however load factor increased thanks to strong demand.

#### Caribbean & Indian Ocean

The third quarter continued to show capacity reductions compared to 2022 (-24%) due to redeployment of fleet to other long-haul areas and a high comparison basis in 2022. This lower capacity pushed the load factor up to 90% and yield improved by 20%.

#### Africa

Despite the geopolitical situation in Niger, Mali and Burkina Faso, the Group enjoyed continued strong traffic dynamics with load factor up 2 points compared to 2022. Robust yield at 4% above 2022.

#### Short and Medium-haul

Capacity increased by +3% with different dynamics: KLM Medium Haul up +13% (impacted by operational issues last year), while Air France Medium Haul is stable and Air France domestic down -18%. The Group was able to increase the yield +3% on the back of a stable load factor at 85%.

### Cargo: continued normalization of the activity translating in a decrease of unit revenues

Cargo business	Current quarter			Year to date		
	2023	change	change constant currency	2023	change	change constant currency
Tons (thousands)	218	-2.1%		640	-8.0%	
Capacity (ATK m)	3,654	+3.3%		10,499	+6.6%	
Traffic (RTK m)	1,636	0.1%		4,778	-6.9%	
Load factor	44.8%	-1.4pt		45.5%	-6.6pt	
Total Cargo revenues (€m)	558	-32.8%	-30.3%	1,837	-30.9%	-29.9%
Traffic Cargo revenues (€m)	439	-39.1%	-37.0%	1,502	-35.2%	-34.3%
Unit revenue per ATK (€ cts)	12.02	-41.0%	-38.9%	14.31	-39.2%	-38.3%

Compared to last year, total revenues dropped by -32.8% (as a reminder, revenue decreased by -33.9% in Q2 2023). The traffic increased year over year by 0.1% on the back of a strong demand in 2022. The load factor was -1.4 point below 2022, due to the increased belly capacity. The yield declined as well resulting in a decrease in unit revenue per Available Ton Kilometer of -38.9% at constant currency. The decrease in unit revenue per ATK at constant currency has stabilized compared to 2022 (Q3 2023: -38.9%; YTD 2023: -38.3%).

The resumption of the passenger travel resulted in an increase in Available Ton Kilometers of 3.3% versus the third quarter of 2022. Furthermore, some operational issues of the Group's full freighters resulted in a reduction in South America operations in order to restore reliable operational performance for our customers.

### Transavia: Load factor up while capacity growth of 14%

Transavia	Current quarter		Year to date	
	2023	change	2023	change
Passengers (thousands)	7,068	+17.4%	16,853	+21.7%
Capacity (ASK m)	13,716	+14.0%	32,753	+17.2%
Traffic (RPK m)	12,502	+16.9%	29,637	+24.3%
Load factor	91.2%	+2.2pt	90.5%	+5.2pt
Total Passenger revenues (€m)	1,014	+18.6%	2,104	+23.4%
Unit revenue per ASK (€ cts)	7.55	+2.2%	6.55	+4.6%
Unit cost per ASK (€ cts)	6.18	(2.9)%	6.50	+4.6%
Operating result (€m)	188	+65	16	+3

Transavia's capacity increased by 14.0%, traffic increased by 16.9%, and the number of passengers increased by 17.4% resulting in a load factor 2.2 points above the third quarter in 2022. Transavia is still expanding its network, with a capacity growth in available seat kilometers of +20% compared to 2019 and the routes are yet to mature further. Transavia reached an operating result of €188 million despite the late inflow of new aircraft and wet lease cost to cover this delay.

The forward booking load factor for the fourth quarter 2023 compared to last year is stable and the first quarter 2024 is at a higher level than the year before while capacity continues to grow.



**Maintenance business: Operating margin above last year**

Maintenance	Current quarter			Year to date		
	2023	change	change constant currency	2023	change	change constant currency
Total revenues (€m)	1,053	+27.6%		3,034	+18.1%	
Third party revenues (€m)	437	+27.7%	+29.4%	1,190	+20.9%	+21.9%
Operating result (€m)	63	17	19	125	-22	-20
Operating margin (%)	6.0%	0.4pt	0.6pt	4.1%	-1.6pt	-1.5pt

Total revenues increased by 27.6% compared with the same quarter last year while third party revenues increased by 29.4% at constant currency, showing a robust recovery.

The operating margin in the third quarter stood at 6.0%, which is 0.4 point higher than in 2022 and almost in line with 2019 levels (6.1%).

**Air France-KLM and Airbus entered into exclusive negotiations for the creation of a joint venture dedicated to Airbus A350 component support**

On September 4<sup>th</sup>, 2023, Air France-KLM and Airbus announced that Air France and Airbus have entered into exclusive negotiations to establish a long-term strategic partnership for Airbus A350 component support (supply chain management and repairs), as well as the creation of a worldwide shared-access pool of aircraft components.

The envisaged cooperation would take the form of a 50-50 joint venture between Air France and Airbus and involve the transfer of aircraft components assets belonging to both partners into the joint venture's pool.

This exclusive partnership would entail a joint commercial offering between Air France Industries KLM Engineering & Maintenance and Airbus, aimed at better meeting the growing long-term maintenance needs of the Airbus A350 worldwide fleet (1,000 aircraft on order and 550 currently in service worldwide) through enhanced capacity, an expanded global footprint, and the development of innovative solutions.

The objective is to finalize the terms of a strategic partnership by the first half of 2024 in line with all compliance requirements, subject to approval by all relevant authorities.

**Fleet**

Compared to the end of 2022 the group added three B787-10, two A350-900, sixteen B737-800, fourteen A220-300, four Embraer 195-E2 and one Embraer 190. The following aircraft left the fleet: three B737-700, two A321, one A320, five A319, three A318 and three CRJ-1000, as a result the fleet increased by twenty three aircraft.

The Group will continue to invest in new generation aircraft in order to improve its economic performance and will decrease its CO<sub>2</sub> emission and reduce noise and announced recently:

**Air France-KLM will place an order for 50 Airbus A350 family aircraft - with purchase rights for 40 additional aircraft - to accelerate the renewal of its long-haul fleet**

On September 25<sup>th</sup>, 2023, Air France-KLM announced that it plans to place a landmark aircraft order to pursue the renewal and rationalization of its long-haul fleet, to the benefit of the Group's environmental and economic performance.

This Group order will cover 50 Airbus A350-900 and A350-1000 aircraft - with purchase rights for 40 additional aircraft - with first deliveries expected in 2026 through to 2030. This will be an evolutionary order, providing the Group with flexibility to allocate aircraft within its portfolio of airlines, according to market dynamics and local regulatory conditions.

These aircraft will replace previous-generation aircraft, namely Airbus A330 and older Boeing 777 aircraft. This new order will come in addition to an existing Air France-KLM order for 41 Airbus A350-900s for Air France, of which 22 have been delivered to date.

Air France-KLM will also be among the launch customers of the Airbus A350 Full Freighter version of the aircraft, having ordered 8 aircraft to renew and expand its cargo fleet.

Fleet renewal is the Group's primary lever to immediately cut CO2 and noise emissions. Alongside the use of sustainable aviation fuel and eco-piloting techniques, it is one of the pillars of the Group's decarbonization trajectory, which aims for -30% CO2 emissions per passenger/km by 2030 compared to 2019. Since the 2000s, Air France-KLM has reduced its noise footprint by 40% and the Group continues to work with all its stakeholders to adapt its operations.

By 2028, the share of new generation aircraft in the Air France-KLM fleet will reach 64%, compared to 5% in 2019.

**Strong profitability for both airlines**

**Air France Group**

	Current quarter		Year to date	
	2023	change	2023	change
Revenue (in €m)	5,374	+7.5%	13,966	+18.9%
EBITDA (in €m)	1,209	+201	2,267	+838
Operating result (in €m)	806	+236	1,107	+767
Operating margin (%)	15.0%	+3.6pt	7.9%	+5.0pt

Air France performance is stemming from a strong performance of long-haul resulting in an increase of revenue of +7.5%. Operating result up +236 million euros compared to last year.

## Air France-KLM Group

Third Quarter 2023

### KLM Group

	Current quarter		Year-to-date	
	2023	change	2023	change
Revenue (in €m)	3,425	+5.9%	9,058	+14.3%
EBITDA (in €m)	786	+98	1,345	-72
Operating result (in €m)	539	+96	668	-40
Operating margin (%)	15.7%	+2.0pt	7.4%	-1.6pt

KLM's revenue grew by +5.9% on the back of improved operations, although not optimal yet, while operating margin stood at 15.7%, representing an improvement of +2.0pt compared to last year.

Nb: Sum of individual airline results does not add up to AF-KLM total due to intercompany eliminations at Group level.

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The results presentation is available at [www.airfranceklm.com](http://www.airfranceklm.com) on October 27, 2023 from 7:15 am CET.

A conference call hosted by Mr. Smith (CEO) and Mr. Zaat (CFO) will be held on October 27, 2023 at 08.30 am CET.

To connect to the webcast, please use below link:

[https://channel.royalcast.com/landingpage/airfranceklm/20231027\\_1/](https://channel.royalcast.com/landingpage/airfranceklm/20231027_1/)

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## Income statement

in € million	Current Quarter			Year to Date		
	2023	2022 restated *	Variation	2023	2022 restated *	Variation
<b>Revenues from ordinary activities</b>	<b>8,660</b>	<b>8,112</b>	<b>7%</b>	<b>22,612</b>	<b>19,264</b>	<b>17%</b>
Aircraft fuel	(1,918)	(2,325)	-18%	(5,360)	(5,184)	3%
Carbon emission	(57)	(33)	73%	(139)	(59)	136%
Chartering costs	(167)	(92)	82%	(410)	(285)	44%
Landing fees and air routes charges	(539)	(488)	10%	(1,458)	(1,271)	15%
Catering	(225)	(206)	9%	(618)	(525)	18%
Handling charges and other operating costs	(499)	(468)	7%	(1,393)	(1,189)	17%
Aircraft maintenance costs	(585)	(524)	12%	(1,831)	(1,643)	11%
Commercial and distribution costs	(268)	(257)	4%	(785)	(641)	22%
Other external expenses	(464)	(375)	24%	(1,377)	(1,077)	28%
Salaries and related costs	(2,146)	(1,897)	13%	(6,311)	(5,239)	20%
Taxes other than income taxes	(40)	(38)	5%	(133)	(118)	13%
Other income and expenses	241	268	-10%	810	796	2%
<b>EBITDA</b>	<b>1,993</b>	<b>1,677</b>	<b>19%</b>	<b>3,607</b>	<b>2,829</b>	<b>28%</b>
Amortization, depreciation and provisions	(651)	(653)	0%	(1,838)	(1,769)	4%
<b>Income from current operations</b>	<b>1,342</b>	<b>1,024</b>	<b>31%</b>	<b>1,769</b>	<b>1,060</b>	<b>67%</b>
Sales of aircraft equipment	5	6	-17%	33	44	-25%
Other non-current income and expenses	(3)	(30)	-90%	11	(44)	nm
<b>Income from operating activities</b>	<b>1,344</b>	<b>1,000</b>	<b>34%</b>	<b>1,813</b>	<b>1,060</b>	<b>71%</b>
Cost of financial debt	(148)	(139)	6%	(443)	(416)	6%
Income from cash & cash equivalent	67	9	nm	176	9	nm
<b>Net cost of financial debt</b>	<b>(81)</b>	<b>(130)</b>	<b>-38%</b>	<b>(267)</b>	<b>(407)</b>	<b>-34%</b>
Other financial income and expenses	(168)	(335)	-50%	(156)	(621)	-75%
<b>Income before tax</b>	<b>1,095</b>	<b>535</b>	<b>105%</b>	<b>1,390</b>	<b>32</b>	<b>nm</b>
Income taxes	(155)	(71)	118%	(176)	208	nm
<b>Net income of consolidated companies</b>	<b>940</b>	<b>464</b>	<b>103%</b>	<b>1,214</b>	<b>240</b>	<b>nm</b>
Share of profits (losses) of associates	6	2	200%	7	-	nm
<b>Net Income for the period</b>	<b>946</b>	<b>466</b>	<b>103%</b>	<b>1,221</b>	<b>240</b>	<b>nm</b>
Non-controlling interests	15	6	150%	31	8	nm
<b>Net Income for the period - Equity holders</b>	<b>931</b>	<b>460</b>	<b>102%</b>	<b>1,190</b>	<b>232</b>	<b>nm</b>

\* Restated figures include the change in accounting principles for CO2 quotas

## Consolidated balance sheet

Assets	September 30, 2023	December 31, 2022
(in € million)		Restated *
Goodwill	225	225
Intangible assets	1,106	1,127
Flight equipment	11,296	10,614
Other property, plant and equipment	1,379	1,375
Right-of-use assets	5,596	5,428
Investments in equity associates	127	120
Pension assets	71	39
Other non-current financial assets	1,392	1,184
Non-current derivative financial assets	222	262
Deferred tax assets	578	714
Other non-current assets	76	78
<b>Total non-current assets</b>	<b>22,068</b>	<b>21,166</b>
Other current financial assets	494	620
Current derivative financial assets	529	327
Inventories	799	723
Trade receivables	2,333	1,785
Other current assets	1,062	979
Cash and cash equivalents	6,481	6,626
Assets held for sale	82	79
<b>Total current assets</b>	<b>11,780</b>	<b>11,139</b>
<b>Total assets</b>	<b>33,848</b>	<b>32,305</b>

\* Restated figures include the change in accounting principles for CO2 quotas

Liabilities and equity	September 30, 2023	December 31, 2022
<i>(in € million)</i>		
Issued capital	257	2,571
Additional paid-in capital	7,531	5,217
Treasury shares	(25)	(25)
Perpetual	1,062	933
Reserves and retained earnings	(10,414)	(11,700)
<b>Equity attributable to equity holders of Air France-KLM</b>	<b>(1,589)</b>	<b>(3,004)</b>
Perpetual	1,006	510
Reserves and retained earnings	19	14
<b>Equity attributable Non-controlling interests</b>	<b>1,025</b>	<b>524</b>
<b>Total equity</b>	<b>(564)</b>	<b>(2,480)</b>
Pension provisions	1,647	1,634
Non-current return obligation liabilities and provisions for leased aircrafts and other provisions	4,089	4,149
Non-current financial liabilities	7,572	9,657
Non-current lease debt	3,339	3,318
Non-current derivative financial liabilities	11	21
Deferred tax liabilities	8	1
Other non-current liabilities	1,581	2,343
<b>Total non-current liabilities</b>	<b>18,247</b>	<b>21,123</b>
Current return obligation liabilities and provisions for leased aircrafts and other provisions	853	740
Current financial liabilities	1,490	896
Current lease debt	850	834
Current derivative financial liabilities	34	83
Trade payables	2,815	2,424
Deferred revenue on ticket sales	4,324	3,725
Frequent flyer programs	908	900
Other current liabilities	4,890	4,057
Bank overdrafts	1	3
<b>Total current liabilities</b>	<b>16,165</b>	<b>13,662</b>
<b>Total equity and liabilities</b>	<b>33,848</b>	<b>32,305</b>

## Statement of Consolidated Cash Flows from January 1 until September 30

Period from January 1 to September 30 (in € million)	2023	2022 restated *
Net income	1,221	240
Amortization, depreciation and operating provisions	1,839	1,770
Financial provisions	157	105
Loss (gain) on disposals of tangible and intangible assets	(54)	(45)
Derivatives – non monetary result	(6)	(28)
Unrealized foreign exchange gains and losses, net	24	523
Share of (profits) losses of associates	(7)	-
Deferred taxes	78	(234)
Impairment	2	19
Other non-monetary items	(166)	(147)
<b>Financial capacity</b>	<b>3,088</b>	<b>2,203</b>
(Increase) / decrease in inventories	(81)	(119)
(Increase) / decrease in trade receivables	(491)	(431)
Increase / (decrease) in trade payables	324	786
Increase / (decrease) in advanced ticket sales	608	1,489
Change in other assets and liabilities	(13)	548
<b>Change in working capital requirement</b>	<b>347</b>	<b>2,273</b>
<b>Net cash flow from operating activities</b>	<b>3,435</b>	<b>4,476</b>
Acquisition of subsidiaries, of shares in non-controlled entities	(2)	(1)
Acquisition of warrants <sup>(1)</sup>	(12)	-
Purchase of property plant and equipment and intangible assets	(2,280)	(2,048)
Proceeds on disposal of property plant and equipment and intangible assets	276	678
Dividends received	3	1
Decrease (increase) in net investments, more than 3 months	112	(240)
<b>Net cash flow used in investing activities</b>	<b>(1,903)</b>	<b>(1,610)</b>
Increase of equity	-	1,551
Capital increase paid by non controlling interests	2	3
Payments to acquire treasury shares	(1)	-
Issuance of perpetual	1,226	497
Repayment on perpetual	(595)	(1,480)
Coupons on perpetual	(87)	(238)
Issuance of debt	1,798	769
Repayment on debt	(3,116)	(1,600)
Payments on lease debts	(625)	(653)
New loans	(298)	(177)
Repayment on loans	127	16
Dividends paid	(90)	-
<b>Net cash flow from financing activities</b>	<b>(1,659)</b>	<b>(1,312)</b>
Effect of exchange rate on cash and cash equivalents and bank overdrafts (net of cash acquired or sold)	(16)	53
<b>Change in cash and cash equivalents and bank overdrafts</b>	<b>(143)</b>	<b>1,607</b>
Cash and cash equivalents and bank overdrafts at beginning of period	6,623	6,654
Cash and cash equivalents and bank overdrafts at end of period	6,480	8,261

\* Restated figures include the change in accounting principles for CO2 quotas  
(1) Participation to warrants issue of GOL 26 September



## Return on capital employed (ROCE)

In € million	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 30, 2022	Dec 31, 2021
		restated (2)	restated (2)	restated <sup>(1)</sup> (2)	restated (1) (2)	restated (1) (2)	restated (1) (2)	restated (1) (2)
Goodwill and intangible assets	1,331	1,339	1,351	1,352	1,350	1,361	1,363	1,380
Flight equipment	11,296	10,957	10,954	10,614	10,298	10,521	10,537	10,466
Other property, plant and equipment	1,379	1,389	1,372	1,375	1,349	1,358	1,378	1,402
Right of use assets	5,596	5,480	5,304	5,428	5,536	5,439	5,205	5,148
Investments in equity associates	127	121	122	120	111	108	107	109
Financial assets excluding marketable securities, accrued interests and financial deposits	191	190	169	169	164	162	158	157
Provisions, excluding pension, cargo litigation and restructuring	(4,481)	(4,248)	(4,255)	(4,347)	(4,792)	(4,473)	(4,240)	(4,180)
WCR <sup>(3)</sup>	(7,804)	(8,917)	(8,696)	(7,213)	(7,609)	(8,338)	(6,736)	(5,453)
<b>Capital employed</b>	<b>7,635</b>	<b>6,311</b>	<b>6,321</b>	<b>7,498</b>	<b>6,407</b>	<b>6,138</b>	<b>7,772</b>	<b>9,029</b>
<b>Average capital employed (A)</b>		<b>6,941</b>				<b>7,337</b>		
Adjusted results from current operations		1,902				1,234		
- Dividends received		(2)				-		
- Share of profits (losses) of associates		18				(13)		
- Normative income tax		(495)				(316)		
<b>Adjusted result from current operations after tax (B)</b>		<b>1,423</b>				<b>905</b>		
<b>ROCE, trailing 12 months (B/A)</b>		<b>20.5%</b>				<b>12.3%</b>		

(1) Proforma figures include restatement related to change in accounting scheme of ETS quotas (see financial statements of the period).

(2) Compared to previous periods, the working capital has been restated to exclude the report of social & fiscal charges granted consequently to Covid.

(3) Excluding the report of social & fiscal charges granted consequently to Covid.

## Net debt

(in € million)	September 30, 2023	December 31, 2022
Current and non-current financial liabilities	9,062	10,553
Current and non-current lease debt	4,189	4,152
Accrued interest	(98)	(127)
Deposits related to financial liabilities	(106)	(101)
Deposits related to lease debt	(100)	(99)
Derivatives impact on debt	(34)	(35)
<b>Gross financial liabilities (I)</b>	<b>12,913</b>	<b>14,343</b>
Cash and cash equivalents	6,481	6,626
Marketable securities > 3 months	447	572
Bonds	984	811
Bank overdrafts	(1)	(3)
<b>Net cash (II)</b>	<b>7,911</b>	<b>8,006</b>
<b>Net debt (I-II)</b>	<b>5,002</b>	<b>6,337</b>

## Adjusted operating free cash flow

(in € million)	Current Quarter		Year to Date	
	2023	2022 restated *	2023	2022 restated *
Net cash flow from operating activities	589	890	3,435	4,476
Purchase of property plant and equipment and intangible assets	(884)	(591)	(2,280)	(2,048)
Proceeds on disposal of property plant and equipment and intangible assets	65	202	276	678
<b>Operating free cash flow</b>	<b>(230)</b>	<b>501</b>	<b>1,431</b>	<b>3,106</b>
Payments on lease debts	(204)	(211)	(625)	(653)
<b>Operating free cash flow adjusted</b>	<b>(434)</b>	<b>290</b>	<b>806</b>	<b>2,453</b>

\* Restated figures include the change in accounting principles for CO2 quotas

## Bridge from EBITDA to Self-financing capacity

(in € million)	Current Quarter		Year to Date	
	2023	2022 restated *	2023	2022 restated *
<b>EBITDA</b>	<b>1,993</b>	<b>1,677</b>	<b>3,607</b>	<b>2,829</b>
Provisions (risk and other)	(2)	(2)	(10)	(15)
Correction of spare parts inventory	(1)	-	1	4
Addition to pension provisions	38	32	109	97
Reversal to pension provisions (cash-out)	(19)	(18)	(50)	(50)
Sales of tangible and intangible assets (excluding aeronauticals)	(2)	(3)	(4)	(2)
<b>Income from operating activities - cash impact</b>	<b>2,007</b>	<b>1,686</b>	<b>3,653</b>	<b>2,863</b>
Restructuring costs	(26)	(49)	(92)	(175)
Other non-current income and expenses	(1)	(4)	(4)	(7)
Cost of financial liability	(149)	(146)	(551)	(429)
Financial income	61	5	159	(3)
Realized foreign exchanges gain/loss	(4)	(14)	36	(11)
Settlement of forwards derivatives - cash	(2)	-	(3)	-
Other financial charges & expenses - cash	(11)	(11)	(15)	(11)
Current income tax	(96)	(22)	(98)	(26)
Other elements	5	-	3	2
<b>Self-financing capacity</b>	<b>1,784</b>	<b>1,445</b>	<b>3,088</b>	<b>2,203</b>

\* Restated figures include the change in accounting principles for CO2 quotas

## Unit cost: net cost per ASK

	Current Quarter		Year to date	
	2023	2022	2023	2022
Total operating expenses (in €m)	7,316	7,088	20,842	18,204
Total other revenues (in €m)	(704)	(529)	(1,961)	(1,611)
<b>Net cost (in €m)</b>	<b>6,612</b>	<b>6,559</b>	<b>18,881</b>	<b>16,593</b>
Capacity produced, reported in ASK	84,754	79,937	232,481	210,128
<b>Net cost per ASK (in € cents per ASK)</b>	<b>7.80</b>	<b>8.21</b>	<b>8.12</b>	<b>7.90</b>
Gross change		-4.9%		2.8%
Currency effect on net costs (in €m)		(160)		(117)
Change at constant currency		-2.5%		3.6%
Fuel price effect (in €m)		(382)		270
<b>Net cost per ASK on a constant currency and constant fuel price (in € cents per ASK)</b>	<b>7.80</b>	<b>7.53</b>	<b>8.12</b>	<b>7.97</b>
<b>Change at constant currency and constant fuel price</b>		<b>3.6%</b>		<b>1.9%</b>
<b>Furlough</b>		<b>+13</b>		<b>+265</b>
	<b>7.80</b>	<b>7.54</b>	<b>8.12</b>	<b>7.84</b>
<b>Change at constant currency and constant fuel price excluding furlough</b>		<b>3.4%</b>		<b>3.5%</b>

## Group fleet at 30 September 2023

Aircraft type	AF (incl. HOP) <sup>3</sup>	KL (incl. KLC & MP) <sup>4</sup>	Transavia	Owned	Finance lease	Operating lease	Total	In operation	Change vs 31/12/22
B777-300	43	16		20	15	24	59	59	
B777-200	18	15		28	1	4	33	33	
B787-9	10	13		4	7	12	23	23	
B787-10		10		2	8		10	10	3
A380-800	4			2	1	1	4		
A350-900	22			4	8	10	22	22	2
A330-300		5				5	5	5	
A330-200	15	6		11		10	21	21	
<b>Total Long-Haul</b>	<b>112</b>	<b>65</b>	<b>0</b>	<b>71</b>	<b>40</b>	<b>66</b>	<b>177</b>	<b>173</b>	<b>5</b>
B737-900		5		5			5	5	
B737-800		31	111	34	8	100	142	141	16
B737-700		6	4	7		3	10	10	
A321	16			9		7	16	16	-2
A320	38			4	3	31	38	37	-2
A319	14			10		4	14	14	-3
A318	6			4		2	6	6	-3
A220-300	30			21		9	30	30	15
<b>Total Medium-Haul</b>	<b>104</b>	<b>42</b>	<b>115</b>	<b>94</b>	<b>11</b>	<b>156</b>	<b>261</b>	<b>259</b>	<b>21</b>
Canadair Jet 1000	3			3			3		
Canadair Jet 700									
Embraer 195 E2		18				18	18	18	4
Embraer 190	20	30		17	4	29	50	50	1
Embraer 175		17		3	14		17	17	
Embraer 170	13			10		3	13	13	
<b>Total Regional</b>	<b>36</b>	<b>65</b>	<b>0</b>	<b>33</b>	<b>18</b>	<b>50</b>	<b>101</b>	<b>98</b>	<b>5</b>
B747-400ERF		3		3			3	3	
B747-400BCF		1		1			1	1	
B777-F	2					2	2	2	
<b>Total Cargo</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>6</b>	<b>0</b>
<b>Total</b>	<b>254</b>	<b>176</b>	<b>115</b>	<b>202</b>	<b>69</b>	<b>274</b>	<b>545</b>	<b>536</b>	<b>31</b>

<sup>3</sup> Excluding Transavia

## 2023 TRAFFIC

### Passenger network activity

Total network airlines	Current quarter			Year to date		
	2023	2022	variation	2023	2022	variation
Passengers carried ('000s)	19,836	18,980	5%	54,366	48,478	12%
Revenue pax-kilometers (m RPK)	63,523	59,948	6%	174,807	151,294	16%
Available seat-kilometers (m ASK)	71,038	67,907	5%	199,728	182,175	10%
Load factor (%)	89%	88%	1pt	88%	83%	4pt
<b>Long-haul</b>						
Passengers carried ('000s)	6,936	6,623	5%	19,245	16,769	15%
Revenue pax-kilometers (m RPK)	51,517	48,324	7%	143,399	122,719	17%
Available seat-kilometers (m ASK)	56,879	54,155	5%	162,210	146,680	11%
Load factor (%)	91%	89%	1pt	88%	84%	5pt
<b>North America</b>						
Passengers carried ('000s)	2,731	2,696	1%	6,975	6,217	12%
Revenue pax-kilometers (m RPK)	19,272	19,197	0%	49,581	44,583	11%
Available seat-kilometers (m ASK)	21,278	21,217	0%	56,374	53,507	5%
Load factor (%)	91%	90%	0pt	88%	83%	5pt
<b>Latin America</b>						
Passengers carried ('000s)	878	801	10%	2,630	2,243	17%
Revenue pax-kilometers (m RPK)	8,355	7,600	10%	24,978	21,327	17%
Available seat-kilometers (m ASK)	8,983	8,265	9%	27,475	24,066	14%
Load factor (%)	93%	92%	1pt	91%	89%	2pt
<b>Asia / Middle East</b>						
Passengers carried ('000s)	1,392	981	42%	3,877	2,474	57%
Revenue pax-kilometers (m RPK)	11,017	7,052	56%	30,246	17,560	72%
Available seat-kilometers (m ASK)	12,245	8,243	49%	34,408	22,853	51%
Load factor (%)	90%	86%	4pt	88%	77%	11pt
<b>Africa</b>						
Passengers carried ('000s)	1,089	1,078	1%	3,124	2,830	10%
Revenue pax-kilometers (m RPK)	6,696	6,452	4%	19,177	16,812	14%
Available seat-kilometers (m ASK)	7,536	7,388	2%	22,280	20,525	9%
Load factor (%)	89%	87%	2pt	86%	82%	4pt
<b>Caribbean / Indian Ocean</b>						
Passengers carried ('000s)	846	1,067	-21%	2,639	3,005	-12%
Revenue pax-kilometers (m RPK)	6,177	8,022	-23%	19,417	22,437	-13%
Available seat-kilometers (m ASK)	6,838	9,042	-24%	21,673	25,729	-16%
Load factor (%)	90%	89%	2pt	90%	87%	2pt
<b>Short and Medium-haul</b>						
Passengers carried ('000s)	12,900	12,357	4%	35,121	31,710	11%
Revenue pax-kilometers (m RPK)	12,005	11,624	3%	31,407	28,574	10%
Available seat-kilometers (m ASK)	14,159	13,753	3%	37,518	35,496	6%
Load factor (%)	85%	85%	0pt	84%	81%	3pt

## Transavia activity

Transavia	Current quarter			Year to date		
	2023	2022	variation	2023	2022	variation
Passengers carried ('000s)	7,068	6,022	17%	16,853	13,850	22%
Revenue seat-kilometers (m RSK)	12,502	10,697	17%	29,637	23,851	24%
Available seat-kilometers (m ASK)	13,716	12,029	14%	32,753	27,953	17%
Load factor (%)	91%	89%	2pt	90%	85%	5pt

## Total Group passenger activity

Total Group	Current quarter			Year to date		
	2023	2022	variation	2023	2022	variation
Passengers carried ('000s)	26,904	25,002	8%	71,218	62,328	14%
Revenue pax-kilometers (m RPK)	76,025	70,645	8%	204,443	175,145	17%
Available seat-kilometers (m ASK)	84,754	79,937	6%	232,481	210,128	11%
Load factor (%)	90%	88%	1pt	88%	83%	5pt

## Cargo activity

Cargo	Current quarter			Year to date		
	2023	2022	variation	2023	2022	variation
Revenue tonne-km (m RTK)	1,636	1,635	0%	4,778	5,132	-7%
Available tonne-km (m ATK)	3,654	3,537	3%	10,499	9,853	7%
Load factor (%)	45%	46%	-1pt	46%	52%	-7pt

## Air France activity

Total Passenger network activity	Current quarter			Year to date		
	2023	2022	variation	2023	2022	variation
Passengers carried ('000s)	11,455	11,528	-1%	31,744	28,977	10%
Revenue pax-kilometers (m RPK)	38,686	36,159	7%	105,101	90,241	16%
Available seat-kilometers (m ASK)	43,379	40,992	6%	120,114	108,483	11%
Load factor (%)	89%	88%	1pt	88%	83%	4pt
<b>Long-haul</b>						
Passengers carried ('000s)	4,382	4,115	7%	11,967	10,437	15%
Revenue pax-kilometers (m RPK)	31,853	29,056	10%	87,004	73,573	18%
Available seat-kilometers (m ASK)	35,350	32,657	8%	98,524	87,849	12%
Load factor (%)	90%	89%	1pt	88%	84%	5pt
<b>Short and Medium-haul</b>						
Passengers carried ('000s)	7,073	7,413	(5)%	19,778	18,540	7%
Revenue pax-kilometers (m RPK)	6,833	7,103	(4)%	18,097	16,667	9%
Available seat-kilometers (m ASK)	8,029	8,335	(4)%	21,591	20,635	5%
Load factor (%)	85%	85%	0pt	84%	81%	3pt
<b>Cargo activity</b>						
Revenue tonne-km (m RTK)	818	834	-2%	2,397	2,631	-9%
Available tonne-km (m ATK)	2,101	2,025	4%	5,938	5,544	7%
Load factor (%)	39%	41%	-2pt	40%	47%	-7pt

## KLM activity

Total Passenger network activity	Current quarter			Year to date		
	2023	2022	variation	2023	2022	variation
Passengers carried ('000s)	8,380	7,452	12%	22,621	19,501	16%
Revenue pax-kilometers (m RPK)	24,836	23,789	4%	69,705	61,053	14%
Available seat-kilometers (m ASK)	27,660	26,916	3%	79,614	73,692	8%
Load factor (%)	90%	88%	1pt	88%	83%	5pt
<b>Long-haul</b>						
Passengers carried ('000s)	2,554	2,508	2%	7,278	6,331	15%
Revenue pax-kilometers (m RPK)	19,664	19,267	2%	56,395	49,146	15%
Available seat-kilometers (m ASK)	21,529	21,498	0%	63,686	58,831	8%
Load factor (%)	91%	90%	2pt	89%	84%	5pt
<b>Short and Medium-haul</b>						
Passengers carried ('000s)	5,827	4,944	18%	15,343	13,169	17%
Revenue pax-kilometers (m RPK)	5,172	4,522	14%	13,310	11,907	12%
Available seat-kilometers (m ASK)	6,131	5,418	13%	15,928	14,861	7%
Load factor (%)	84%	83%	1pt	84%	80%	3pt
<b>Cargo activity</b>						
Revenue tonne-km (m RTK)	818	801	2%	2,382	2,502	-5%
Available tonne-km (m ATK)	1,553	1,512	3%	4,561	4,309	6%
Load factor (%)	53%	53%	0pt	52%	58%	-6pt