UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 14, 2022

DELTA AIR LINES, INC.

(Exact name of registrant as specified in its charter)

Delaware	001-05424	58-0218548
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

P.O. Box 20706, Atlanta, Georgia 30320-6001
(Address of principal executive offices)

Registrant's telephone number, including area code: (404) 715-2600

Registrant's Web site address: www.delta.com

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	DAL	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure.

As previously announced, Delta Air Lines, Inc. will host its Financial Outlook and Strategic Update in New York and via live webcast today. Materials to be used in conjunction with the event are furnished as Exhibit 99.1 to this Form 8-K.

In accordance with general instruction B.2 of Form 8-K, the information in this report (including the exhibit) that is being furnished pursuant to Item 7.01 of Form 8-K shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act, as amended, or otherwise subject to liabilities of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as expressly set forth in such filing. This report will not be deemed an admission as to the materiality of any information in the report that is required to be disclosed solely by Regulation FD.

Statements made in this Form 8-K and Exhibit 99.1 that are not historical facts, including statements regarding our estimates, expectations, beliefs, intentions, projections, goals, aspirations, commitments or strategies for the future, should be considered "forward-looking statements" under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements are not guarantees or promised outcomes and should not be construed as such. All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the estimates, expectations, beliefs, intentions, projections, goals, aspirations, commitments and strategies reflected in or suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the material adverse effect that the COVID-19 pandemic has had on our business; the impact of incurring significant debt in response to the pandemic; failure to comply with the financial and other covenants in our financing agreements; the possible effects of accidents involving our aircraft or aircraft of our airline partners; breaches or lapses in the security of technology systems on which we rely and of the data stored within them, as well as compliance with ever-evolving global privacy and security regulatory obligations; disruptions in our information technology infrastructure; our dependence on technology in our operations; our commercial relationships with airlines in other parts of the world and the investments we have in certain of those airlines; the effects of a significant disruption in the operations or performance of third parties on which we rely; failure to realize the full value of intangible or long-lived assets; labor issues; the effects of weather, natural disasters and seasonality on our business; changes in the cost of aircraft fuel; extended disruptions in the supply of aircraft fuel, including from Monroe Energy, LLC ("Monroe"), a wholly-owned subsidiary of Delta; failure or inability of insurance to cover a significant liability at Monroe's Trainer refinery; failure to comply with existing and future environmental regulations to which Monroe's refinery operations are subject, including costs related to compliance with renewable fuel standard regulations; our ability to retain senior management and other key employees, and to maintain our company culture; significant damage to our reputation and brand, including from exposure to significant adverse publicity or inability to achieve certain sustainability goals; the effects of terrorist attacks, geopolitical conflict or security events; competitive conditions in the airline industry; extended interruptions or disruptions in service at major airports at which we operate or significant problems associated with types of aircraft or engines we operate; the effects of extensive government regulation we are subject to; the impact of environmental regulation, including but not limited to increased regulation to reduce emissions and other risks associated with climate change, and the cost of compliance with more stringent environmental regulations; and unfavorable economic or political conditions in the markets in which we operate or volatility in currency exchange rates.

Additional information concerning risks and uncertainties that could cause differences between actual results and forward-looking statements is contained in our Securities and Exchange Commission filings, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 and our quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022. Caution should be taken not to place undue reliance on our forward-looking statements, which represent our views only as of the date of this Form 8-K, and which we undertake no obligation to update except to the extent required by law.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 99.1	Financial Outlook & Strategic Update Presentation
Exhibit 104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DELTA AIR LINES, INC.

By: /s/ Daniel C. Janki
Daniel C. Janki
Executive Vice President & Chief Financial Officer

Date: December 14, 2022

Exhibit 99.1

Delta Air Lines

Financial Outlook & Strategic Update

December 14, 2022


DELTA
Julie Stewart
VICE PRESIDENT, INVESTOR RELATIONS

Agenda

- **Ed Bastian** Chief Executive Officer
  10:00 – 10:30am ET
- **Glen Hauenstein** President
  10:30 – 10:45am ET
- **Dan Janki** Chief Financial Officer
  10:45 – 11:00am ET
- **Q&A**
  11:00 – 12:00pm ET

Safe Harbor

Statements made in this presentation that are not historical facts, including statements regarding our estimates, expectations, beliefs, intentions, projections, goals, aspirations, commitments or strategies for the future, should be considered "forward-looking statements" under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements are not guarantees or promised outcomes and should not be construed as such. All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the estimates, expectations, beliefs, intentions, projections, goals, aspirations, commitments and strategies reflected in or suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the material adverse effect that the COVID-19 pandemic has had on our business; the impact of incurring significant debt in response to the pandemic; failure to comply with the financial and other covenants in our financing agreements; the possible effects of accidents involving our aircraft or aircraft of our airline partners; breaches or lapses in the security of technology systems on which we rely and of the data stored within them, as well as compliance with ever-evolving global privacy and security regulatory obligations; disruptions in our information technology infrastructure; our dependence on technology in our operations; our commercial relationships with airlines in other parts of the world and the investments we have in certain of those airlines; the effects of a significant disruption in the operations or performance of third parties on which we rely; failure to realize the full value of intangible or long-lived assets; labor issues; the effects of weather, natural disasters and seasonality on our business; changes in the cost of aircraft fuel; extended disruptions in the supply of aircraft fuel, including from Monroe Energy, LLC ("Monroe"), a wholly-owned subsidiary of Delta; failure or inability of insurance to cover a significant liability at Monroe's Trainer refinery; failure to comply with existing and future environmental regulations to which Monroe's refinery operations are subject, including costs related to compliance with renewable fuel standard regulations; our ability to retain senior management and other key employees, and to maintain our company culture; significant damage to our reputation and brand, including from exposure to significant adverse publicity or inability to achieve certain sustainability goals; the effects of terrorist attacks, geopolitical conflict or security events; competitive conditions in the airline industry; extended interruptions or disruptions in service at major airports at which we operate or significant problems associated with types of aircraft or engines we operate; the effects of extensive government regulation we are subject to; the impact of environmental regulation, including but not limited to increased regulation to reduce emissions and other risks associated with climate change, and the cost of compliance with more stringent environmental regulations; and unfavorable economic or political conditions in the markets in which we operate or volatility in currency exchange rates.

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C9/11
EXIT
Ed Bastian
CHIEF EXECUTIVE OFFICER

Key Takeaway: Delta Executing Well Against Three-Year Plan

DELTA IS THE INDUSTRY LEADER

- Best-in-class people, service and operation
- Premium consumer brand with strong loyalty
- Elevating the customer experience
- Leading international JVs
- Disciplined management team

CONSTRUCTIVE INDUSTRY BACKDROP

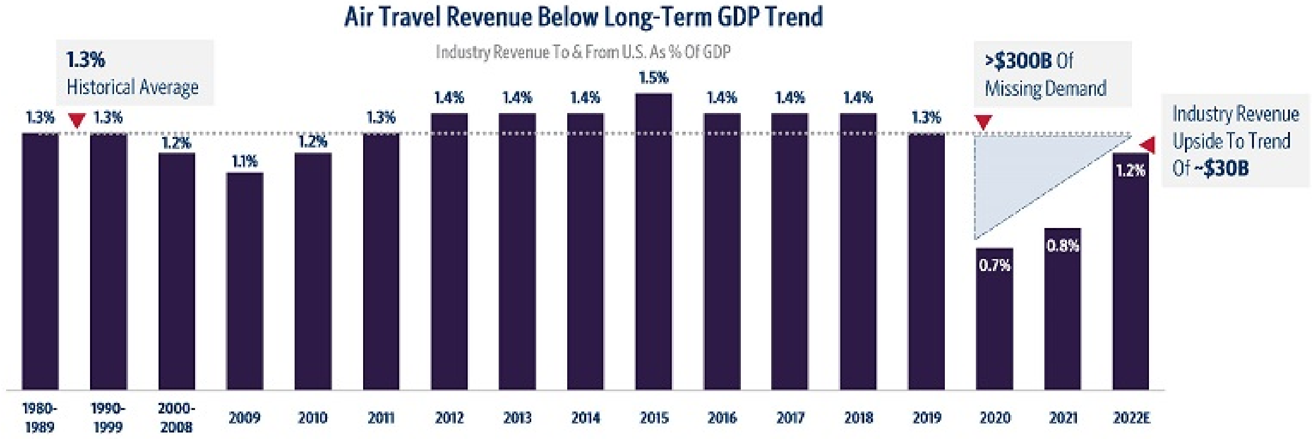
- Unique demand drivers
- Consumer spend shifting
- New travel patterns
- Industry supply constrained
- Pandemic lessons learned

BUILDING FINANCIAL MOMENTUM

- EPS growing to \$5 - \$6 in 2023 and >\$7 in 2024
- Accretive growth
- Declining non-fuel unit costs
- Double-digit margins
- Sustained free cash flow
- Improving leverage metrics

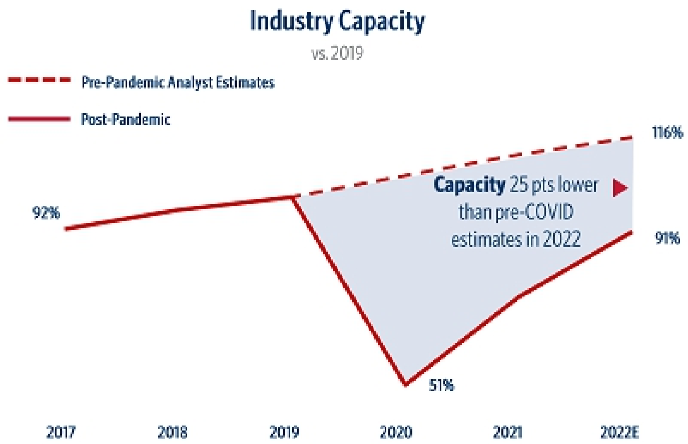
The financial targets of our three-year plan were announced at our December 2021 Capital Markets Day and cover years 2022, 2023 and 2024. See Appendix for updated financial guidance and key assumptions.

Industry Demand Continues To Recover To Long-Term Trend



Revenue source: 1980 – 2021: Delta internal dataset; 2022 consensus forecast for industry growth (FactSet 12/9/22)
GDP source: 1980 – 2021: Bureau of Economic Analysis; 2022 S&P Global forecast (12/9/22)

Constructive Industry Backdrop Reinforces Confidence In 2023



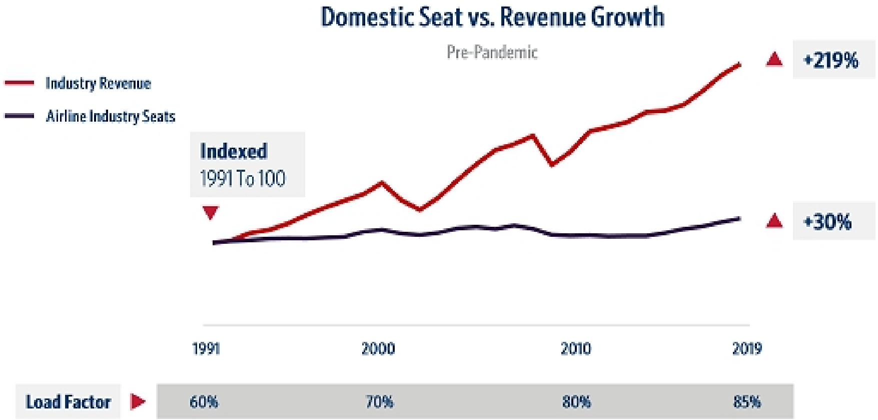
MULTI-YEAR INDUSTRY CONSTRAINTS

Aviation supply chain delays	Hiring and training needs	Pilot constraints
Rising input costs, including fuel and labor	Limits on industry infrastructure	Rising cost of capital

GDP 18 - 20% Higher vs. 2019

2022 nominal U.S. GDP sourced from FactSet economic estimates as of 12/9/2022
2017 - 2019 industry ASMs as a percent of 2019 sourced from U.S. DOT T100 Form 41
2020 - 2022 industry ASMs as a percent of 2019 sourced from Deutsche Bank and Wolfe pre and post-pandemic estimates

Industry Demand Significantly Exceeded Seat Growth



Industry revenue growth tracked GDP, **significantly outpacing seat growth**

Increased load factors drove **higher asset utilization,** pricing kept pace with inflation

Improved industry dynamics resulted in **higher returns**

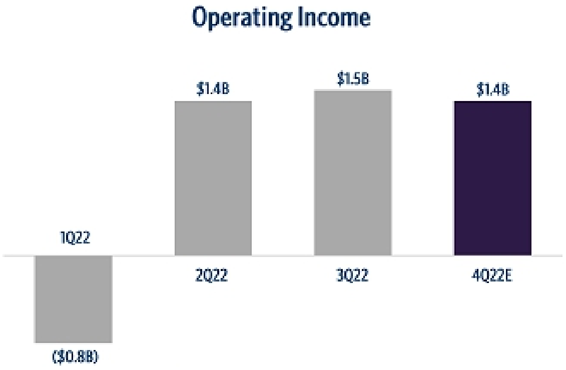
Source: U.S. DOT T100 Form 41

2022 Performance Review

Capital Markets Day Priorities	Year One Results
Run **best-in-class operation**	Disciplined restoration, swift operational recovery from May/June challenges with **industry-leading full year performance**
Strengthen brand and elevate customer experience	NPS exceeding 2019, record SkyMiles and co-brand acquisitions and **premium products outperforming**
Extend **competitive advantages**	**Invested in our people**, grew hub share, opened generational airport facilities and formed new partnerships
Restore financial performance	Earnings and free cash flow **ahead of plan**; unit costs higher on fuel, inflation and less capacity growth than anticipated

Delta Capital Markets Day held on December 16, 2021

Generating Meaningful Profitability



	1Q22	2Q22	3Q22	4Q22E
Operating Margin		12%	12%	11%
vs. 2019		(6 pts)	(5 pts)	(1.5 pts)

CHALLENGING OPERATING ENVIRONMENT

- Hired and trained 25,000 people[1]
- Invested in operation during unprecedented surge in demand
- Managing inflation including record jet fuel prices
- Navigating regional constraints

DELIVERING AHEAD OF EXPECTATIONS

- 2H 2022 revenue surpassing 2019
- Meaningful profitability, leading the industry
- Positive free cash flow
- Record growth in premium and co-brand card
- Finishing year with momentum into 2023

Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix
[1] Last twelve months

Strong Financial Outlook For 2023 And On Plan For 2024 Targets

	2023E	2024E
Revenue Growth Year Over Year	15% - 20%	GDP+
Operating Margin	10% - 12%	13% - 15%
Earnings Per Share	$5 - $6	>$7
Free Cash Flow	>$2B	>$4B
Leverage Adj. Debt / EBITDAR	3x - 3.5x	2x - 3x

Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix

Strengthening Delta's Durable Competitive Advantages

PEOPLE & CULTURE

- Forbes' World's Best Employers #6 ranking
- World-renowned profit-sharing plan

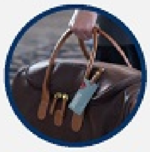
OPERATIONAL RELIABILITY

- Industry-leading operation
- #1 on-time arrivals and completion factor[1]

GLOBAL NETWORK

- Best-in-class domestic hubs
- Leading international JVs
- New facilities in LAX, LGA, SLC & SEA

CUSTOMER LOYALTY



- Trusted consumer brand
- World-class loyalty program
- Elevated customer experience

FINANCIAL FOUNDATION

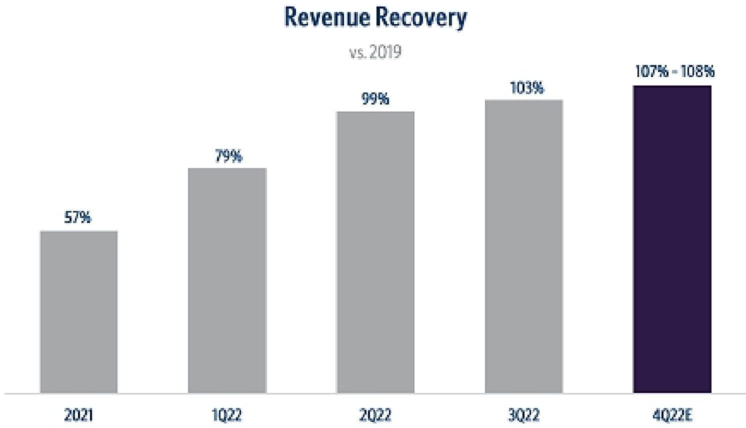
S&P Global
Moody's
FitchRatings

- Industry-leading profitability
- Diverse revenue
- No equity issued during pandemic

[1] YTD Network System as of 12/11/2022 based on preliminary data; Peer set defined as DL, UA, AA and WN


Glen Hauenstein
PRESIDENT

Strong Demand Environment Continues



Robust holiday demand and **continued consumer strength**

Corporate revenue steady at 80% recovered vs. 2019

Strong 1Q23 bookings with continued improvement expected in revenue vs. 2019

Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix

Delivering On Long-Term Commercial Strategy

2022 Accomplishments Position Us To Extend Our Lead In 2023

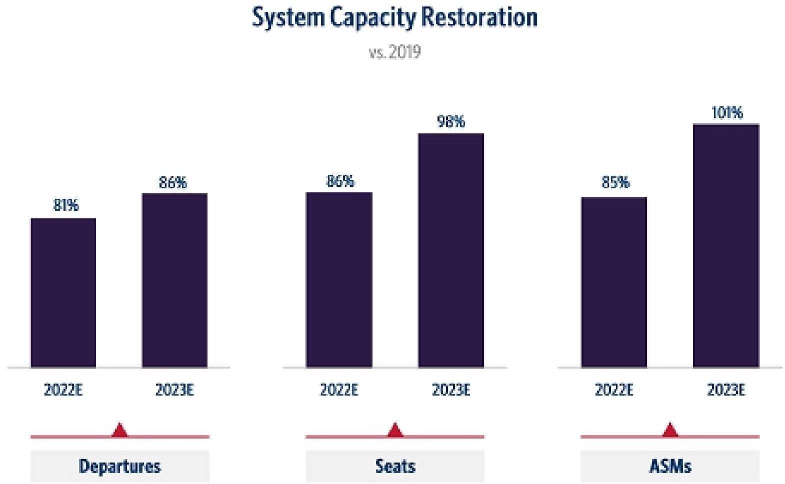
DEEPEN NETWORK ADVANTAGES

EXPAND PREMIUM REVENUE

GROW LOYALTY ECOSYSTEM

INCREASE REVENUE DIVERSIFICATION

Fleet Evolution Enables Efficient Capacity Restoration



Achieving **full ASM restoration** on fewer departures in 2023

Mainline fleet larger than 2019

RJ fleet underutilized; **exiting 50-seat jets** in 2023

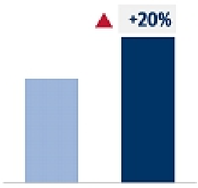
Upgauging regional to mainline drives **13% higher fleet gauge** vs. 2019

Delta Will Be The Only Major Domestic Airline With First Class On Every U.S. Flight[1]

[1] By mid-2023

Restoring Domestic Capacity Through Core Hubs

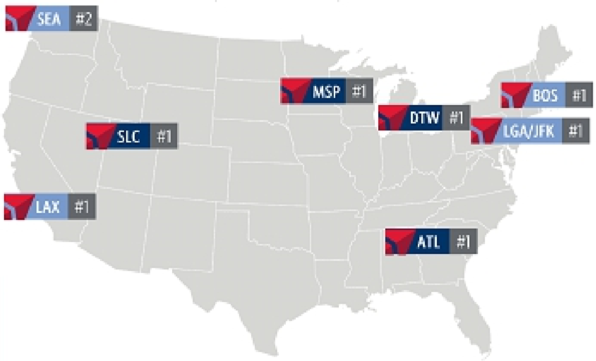
2H22 Unit Revenue[1]



75% Of 2023 Domestic Seat Growth Planned In Higher Unit Revenue Core Hubs

Industry-Leading Hub Positions

#1 or #2 position in 66 of top 100 U.S. cities



2022 SHAPED BY UNIQUE OPPORTUNITIES

- Prioritized coastal hubs, securing leading positions in largest revenue markets
- Protected local share in core hubs

CAPITALIZING ON STRENGTHS IN 2023

- Domestic growth to be focused in core hubs
- Regional exposure less than 5% of capacity
- Leverage coastal gateways and enhanced partnerships to grow international

Note: Airport ranks based on U.S. DOT's 2Q22 DB1B report
[1] Based on July – November 2022 actuals

Global Network Supported By Coastal Hubs And Leading JVs

Partner JVs Unlock Commercial Value And Create A Seamless Customer Experience

AEROMEXICO	LATAM	DELTA	virgin atlantic / AIRFRANCE KLM	KOREAN AIR
#1 U.S.-MEXICO MARKET SHARE ▪ Improved competitive position ▪ Access and scale to critical interior Mexico corporate markets	**#1 U.S.-SOUTH AMERICA NETWORK[1]** ▪ JV allows access to 300+ destinations ▪ Opportunity to maximize ancillary businesses like cargo	**#1 U.S. COASTAL HUB POSITIONS** ▪ Leading share in top revenue markets for connecting international travel (Los Angeles, New York City)	**GOLD STANDARD TRANSATLANTIC JOINT VENTURE** ▪ Strategic position in LHR ▪ Supports Delta's largest ever Transatlantic footprint	**LEADING TRANSPACIFIC JV PARTNERSHIP** ▪ ICN is a world-class gateway to Asia and the #1 connecting hub ▪ Unlocks access to nearly 100% of U.S.-Asia demand

[1] Six South American countries in the JV

Applying Proven Playbook To International

RESHAPING GLOBAL NETWORK

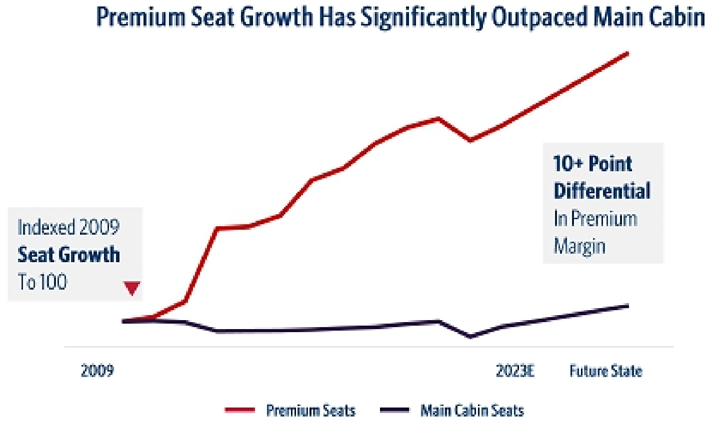
- Coastal gateways drive international opportunity
- Growing our most profitable international franchise, Transatlantic, above 2019
- Leading Pacific connectivity via Seoul with developing Korean JV
- Accelerate LATAM JV to enhance Latin profitability

GROWING NEXT-GEN WIDEBODY FLEET

- Larger gauge with 20% more premium seats
- Improved fuel efficiency
- Expanded cargo capability and lower unit operating costs

Note: Fleet metrics represent expected 2023 vs. 2019

Elevating Customer Experience Through Premium Products And Service



GROWING HIGH MARGIN PREMIUM PRODUCTS

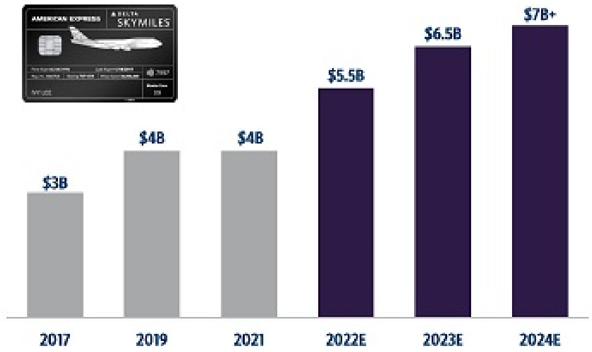
- Premium seat mix growing to 30% by 2024, +2 pts vs. 2019 and +21 pts vs. 2009
- Growth furthers customer segmentation
- Elevating international premium service
- Premium NPS 10 pts higher than Main Cabin
- Repurchase rate of 70%, with frequent flyers[1] repurchasing 85% of the time

[1] Defined as taking 6+ trips per year

Delta's Loyalty Ecosystem Drives High Margin Revenue

DELTA SKYMILES

American Express Remuneration To Delta

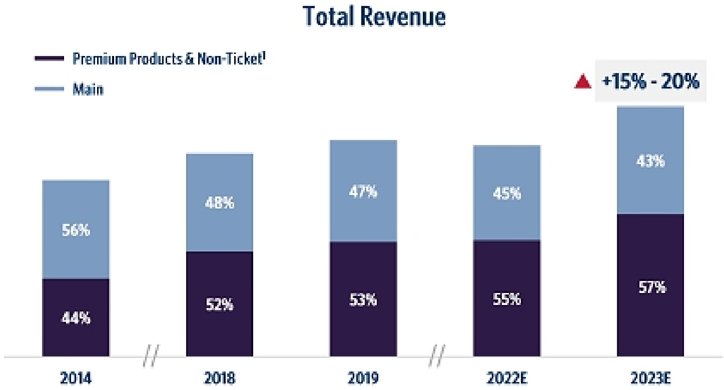


LOYALTY GROWTH OPPORTUNITIES

Card & Spend Growth	Small Business	Non-Air Partnerships
Premium Mix	Personalization	Travel Related

Growing SkyMiles Membership + Increasing Customer Value ► **Sustained Loyalty Growth**

Continuing To Increase Revenue Diversification



Premium & Non-Ticket revenue is expected to be 80% of 2023 growth

On track for **>60% of revenue in 2024** from Premium & Non-Ticket sources

Basic economy <5% of passenger revenue in 2022 vs. 10% in 2019

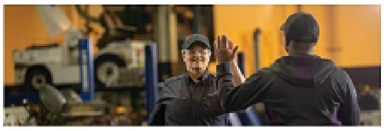
Leveraging Delta Ecosystem To Expand Revenue Opportunities

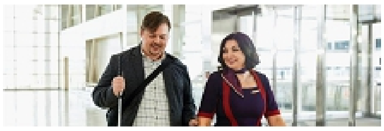
[1] Non-Ticket includes loyalty program, MRO and other ancillary, cargo and travel-related services
Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix


Dan Janki
CHIEF FINANCIAL OFFICER

Raising 4Q Earnings Guidance

	4Q22E	Prior Guidance
Revenue	Up 7% - 8%	Up 5% - 9%
Operating Margin	11%	9% - 11%
EPS	$1.35 - $1.40	$1.00 - $1.25



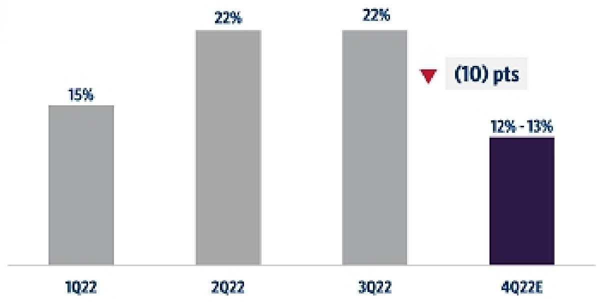


Revenue measured vs. 2019; ASMs, Non-fuel CASM in line with prior guidance; expected fuel price of approximately $3.25 per gallon
Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix

Non-Fuel Unit Costs Improving In 4Q

Unit Costs Improving In December Quarter With Benefit Of Scale And Efficiency

Non-Fuel Unit Cost[1] vs. 2019



	1Q22	2Q22	3Q22	4Q22E
ASMs vs. 2019	83%	82%	83%	91% - 92%

Pace of capacity restoration

Training intensity and elevated overtime

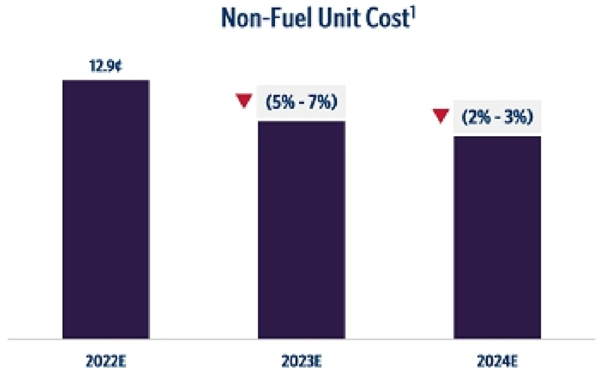
Operational **investments**

Broad **inflation**

Reset in **regional** pilot rates

[1] Non-Fuel CASM excludes fuel and profit-sharing expense, includes ancillary business expense
Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix

2023 Non-Fuel Unit Costs Expected To Decline 5% To 7% Year Over Year



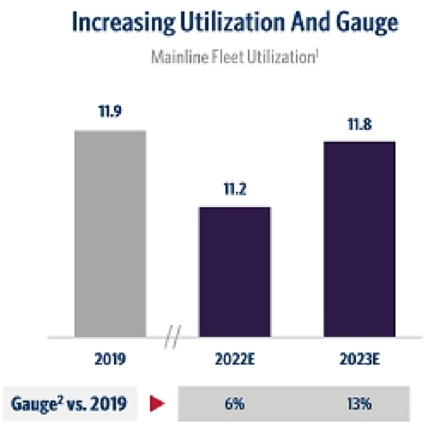
Compared to 2019	2022E	2023E	2024E
Non-Fuel Unit Cost	18%	10% - 12%	High Single Digits
ASMs	85%	101%	>100%

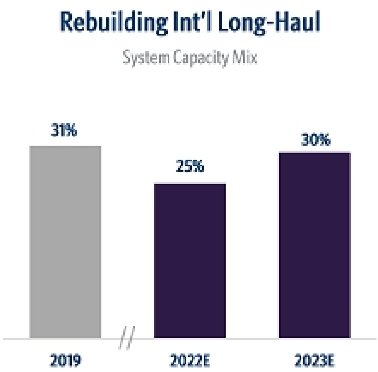
UNIT COST DRIVERS

- **Operating leverage**
  - Low-cost capacity growth
  - Driving efficiency
  - Completing rebuild
- **Managing inflation**
- **Investing to extend advantages**

[1] Non-Fuel CASM excludes fuel and profit-sharing expense, includes ancillary business expense
Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix

Driving Operating Leverage With Lower-Cost Capacity Growth





Large narrowbodies half of mainline fleet

Exiting 50-seat jets in 2023

Domestic growth focused on **core hubs**

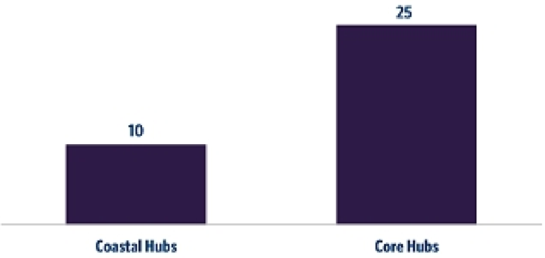
Low non-fuel unit cost international growth

[1] As of December 7, 2022; Mainline utilization is a measure of the average number of daily hours each mainline aircraft is flown, calculated as daily block hours / flying mainline aircraft. Daily block hours are a measure of the time between boarding door closing to door open on arrival
[2] System gauge is the average number of seats per departure

Network Growth Focused In Cost Efficient, High-Margin Core Hubs

Restoring Core Hubs

2023E Daily Added Seats (K) vs. 2022



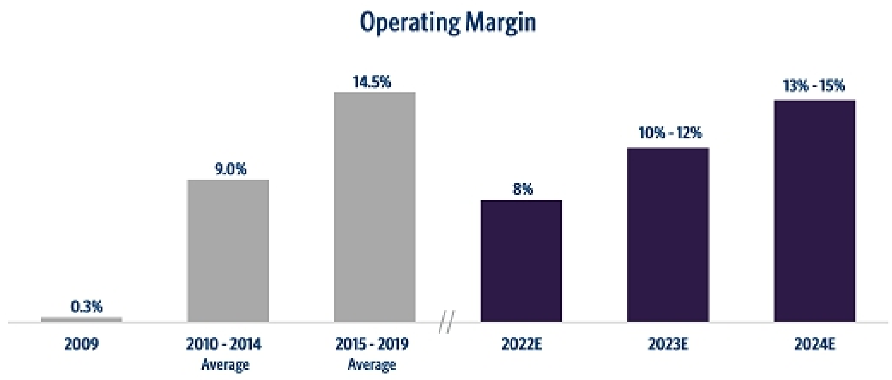
Core Hub Margins +10 pts vs. Coastal

Scale and **strong local share** in core markets

High volume connecting traffic with 6 out of every 10 core hub passengers connecting

Delta's largest and highest margin hub – **Atlanta** – is 45% of 2023 domestic seat growth

Focused On Margin Improvement



LONG-TERM MARGIN DRIVERS

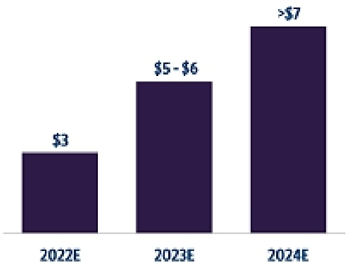
- **Commercial strategy**
  - Premium revenue
  - Loyalty ecosystem
  - International growth
- **Fleet renewal**
- **Operating leverage**

Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix

Executing Against Three-Year Financial Plan

Significant EPS Growth

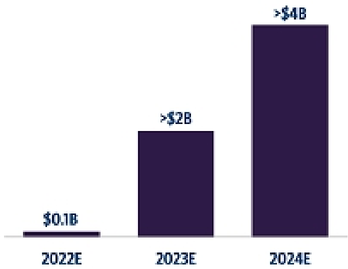
Earnings Per Share



Op. Margin		
8%	10% - 12%	13% - 15%

Sustained Free Cash Flow

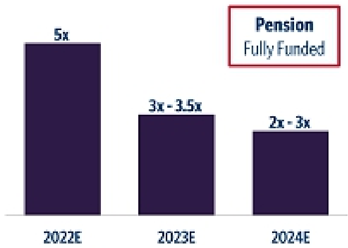
Free Cash Flow



Capex		
$5.8B	$5.5B	$5B

Reducing Debt

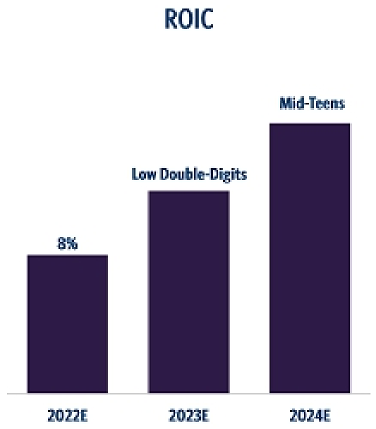
Adjusted Debt / EBITDAR

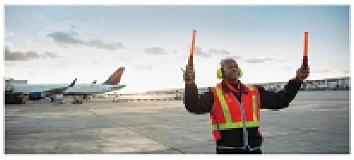


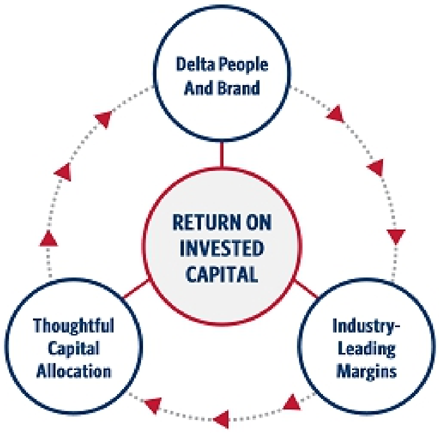
Adj. Net Debt		
$22B	$19B - $20B	$15B

Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix

Delivering Long-Term Value Creation







Note: Adjusted for special items; non-GAAP financial measures reconciled in Appendix


Appendix

Appendix: Financial Guidance And Key Assumptions

Guidance Metric	2022	2023	2024
Revenue	$45.5B - $45.6B	+15% - 20% YoY	GDP+ YoY
Operating Margin	7.7%	10% - 12%	13% - 15%
Earnings Per Share	$3.07 - $3.12	$5 - $6	>$7
Capital Expenditures	$5.8B	$5.5B	$5B
Free Cash Flow	Positive	>$2B	>$4B
Adj. Net Debt	$22B	$19B - $20B	$15B

Key Assumptions	2023
Real GDP	Flat vs. 2022
Fuel Price Per Gallon[1]	$3.00 - $3.20
Non-Operating Expense	$1.3B

Total Fleet Count[2]	2022	2023
Mainline	902	969
Regional	367	325
Total	1,269	1,294

PROFIT SHARING FORMULA

Delta's broad-based employee profit sharing program pays 10% of the company's adjusted annual profit to all eligible employees up to $2.5 billion and 20% above that amount. Delta incurs employer taxes and other costs which add 2% to 2.5% at the 10% level and 3% to 4% at the 20% level.

Adjusted annual profit is calculated as the company's annual pre-tax income before profit sharing expense, special items and certain other items.

[1] Fuel price guidance based on Brent at $85 - $90 per barrel, cracks at $35 - $40 per barrel, based on the last 30 trading day averages of the 2023 brent forward curve and spot jet cracks
[2] Fleet count as of year end
Note: All guidance metrics are adjusted for special items; non-GAAP financial measures reconciled in Appendix

Non-GAAP Financial Measures

Delta sometimes uses information ("non-GAAP financial measures") that is derived from the Consolidated Financial Statements, but that is not presented in accordance with accounting principles generally accepted in the U.S. (“GAAP”). Under the U.S. Securities and Exchange Commission rules, non-GAAP financial measures may be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. The tables below show reconciliations of non-GAAP financial measures used in this update to the most directly comparable GAAP financial measures. Reconciliations may not calculate due to rounding.

Delta is not able to reconcile certain forward looking non-GAAP financial measures without unreasonable effort because the adjusting items such as those used in the reconciliations below will not be known until the end of the indicated future periods and could be significant.

Non-GAAP Financial Measures

Adjustments. These reconciliations include certain adjustments to GAAP measures, which are directly related to the impact of COVID-19 and our response. These adjustments are made to provide comparability between the reported periods, if applicable, as indicated below:

Restructuring charges. During 2020, we recorded restructuring charges for items such as fleet impairments and voluntary early retirement and separation programs following strategic business decision in response to the COVID-19 pandemic. During 2022, we recognized adjustments to certain of those restructuring charges, representing changes in our estimates. Restructuring charges in earlier periods include fleet and other charges, severance and related costs and other various items. Because of the variability in restructuring charges, adjusting for this item is helpful to investors to analyze our core operational performance

Loss on extinguishment of debt. This adjustment relates to early termination of a portion of our debt.

We also regularly adjust certain GAAP measures for the following items, if applicable, for the reasons indicated below:

MTM adjustments and settlements on hedges. Mark-to-market ("MTM") adjustments are defined as fair value changes recorded in periods other than the settlement period. Such fair value changes are not necessarily indicative of the actual settlement value of the underlying hedge in the contract settlement period. Settlements represent cash received or paid on hedge contracts settled during the applicable period.

Third-party refinery sales. Refinery sales to third parties, and related expenses, are not related to our airline segment. Excluding these sales therefore provides a more meaningful comparison of our airline operations to the rest of the airline industry.

Delta Private Jets adjustment. Because we combined Delta Private Jets with Wheels Up in January 2020, we have excluded the impact of Delta Private Jets from 2019 results for comparability.

MTM adjustments on investments. Unrealized gains/losses result from our equity investments that are accounted for at fair value in nonoperating expense. The gains/losses are driven by changes in stock prices, foreign currency fluctuations and other valuation techniques for investments in companies without publicly-traded shares. Adjusting for these gains/losses allows investors to better understand and analyze our core operational performance in the periods shown.

Aircraft fuel and related taxes. The volatility in fuel prices impacts the comparability of year-over-year financial performance. The adjustment for aircraft fuel and related taxes allows investors to better understand and analyze our non-fuel costs and year-over-year financial performance.

Profit sharing. We adjust for profit sharing because this adjustment allows investors to better understand and analyze our recurring cost performance and provides a more meaningful comparison of our core operating costs to the airline industry.

Non-GAAP Financial Measures

Operating Income, adjusted

	Three Months Ended			
(in billions)	**March 31, 2022**	**June 30, 2022**	**September 30, 2022**	**(Projected) December 31, 2022**
Operating Income	$ (0.8)	$ 1.5	$ 1.5	$ ~1.5
Adjusted for:				
Restructuring charges	(0.0)	(0.0)	0.0	~(0.1)
MTM adjustments and settlements on hedges	(0.0)	(0.1)	0.0	~0.0
Operating Income, adjusted	$ (0.8)	$ 1.4	$ 1.5	$ ~1.4

Operating Margin, adjusted

	Year Ended December 31, 2009	**2010 - 2014 Average**	**2015 - 2019 Average**	**Year Ended (Projected) December 31, 2022**
Operating margin	(1.2)%	6.6%	15.4%	~7.3%
Adjusted for:				
Restructuring charges	1.5	1.3	–	~(0.3)
MTM adjustments and settlements on hedges	–	1.0	(1.0)	~0.0
Third-party refinery sales	–	0.0	0.1	~0.7
Operating margin, adjusted	0.3%	9.0%	14.5%	~7.7%

	Three Months Ended						**2Q22 vs 2Q19 change**	**3Q22 vs 3Q19 change**	**4Q22 vs 4Q19 change**
	June 30, 2019	**September 30, 2019**	**December 31, 2019**	**June 30, 2022**	**September 30, 2022**	**(Projected) December 31, 2022**			
Operating margin	17%	17%	12%	11%	10%	~12%			
Adjusted for:									
Restructuring charges	–	–	–	–	–	~(1)			
MTM adjustments and settlements on hedges	0	(0)	(0)	(1)	0	~0			
Third-party refinery sales	0	0	0	1	1	~1			
Operating margin, adjusted	17%	16%	12%	12%	12%	11%	(6 pts)	(5 pts)	~(1.5 pts)

Non-GAAP Financial Measures

Total Revenue, adjusted

(in billions)	Year Ended December 31, 2019	Year Ended December 31, 2021	Year Ended December 31, (Projected) 2022	2021 vs 2019 % restored
Total revenue	$ 47.0	$ 29.9	$ ~50.3 - 50.4	
Adjusted for:				
Third-party refinery sales	(0.1)	(3.2)	~(4.8)	
Delta Private Jets adjustment	(0.2)	–	–	
Total revenue, adjusted	$ 46.7	$ 26.7	$ ~45.5 - 45.6	57%

(in billions)	Three Months Ended March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2022	June 30, 2022	September 30, 2022	(Projected) December 31, 2022	1Q22 vs 1Q19 % restored	2Q22 vs 2Q19 % restored	3Q22 vs 3Q19 % restored	4Q22 vs 4Q19 % restored
Total revenue	$ 10.5	$ 12.5	$ 12.6	$ 11.4	$ 9.3	$ 13.8	$ 14.0	$ ~13.3				
Adjusted for:												
Third-party refinery sales	(0.0)	(0.0)	(0.0)	(0.0)	(1.2)	(1.5)	(1.1)	~(1.0)				
Delta Private Jets adjustment	(0.0)	(0.0)	(0.0)	(0.1)	–	–	–	–				
Total revenue, adjusted	$ 10.4	$ 12.4	$ 12.5	$ 11.4	$ 8.2	$ 12.3	$ 12.8	$ ~12.3	79%	99%	103%	107 - 108%

Operating revenue, adjusted related to premium products and non-ticket revenue

(in billions)	Year Ended December 31, 2014	December 31, 2018	December 31, 2019	(Projected) December 31, 2022
Operating revenue	$ 40	$ 44	$ 47	$ ~50
Adjusted for:				
Third-party refinery sales	–	(1)	(0)	~(5)
Operating revenue, adjusted	40	44	47	$ ~46
Less: main cabin revenue	23	21	22	~21
Operating revenue, adjusted related to premium products and non-ticket revenue	$ 18	$ 23	$ 25	$ ~25
Percent of operating revenue, adjusted related to premium products and non-ticket revenue	44%	52%	53%	~55%

Non-GAAP Financial Measures

Pre-Tax Income, Net Income, and Diluted Earnings per Share, adjusted

	Year Ended (Projected) December 31, 2022			Year Ended (Projected) December 31, 2022
(in billions, except per share data)	**Pre-Tax Income**	**Income Tax**	**Net Income**	**Earnings Per Diluted Share**
GAAP	$ ~1.9	$ ~0.6	$ ~1.3	$ ~2.12 - 2.17
Adjusted for:				
Restructuring charges	~(0.1)			
Loss on extinguishment of debt	~0.1			
MTM adjustments and settlements on hedges	~(0.1)			
MTM adjustments on investments	~0.8			
Non-GAAP	$ ~2.6	$ ~0.6	$ ~2.0	$ ~3.07 - 3.12

	Three Months Ended (Projected) December 31, 2022			Three Months Ended (Projected) December 31, 2022
(in billions, except per share data)	**Pre-Tax Income**	**Income Tax**	**Net Income**	**Earnings Per Diluted Share**
GAAP	$ ~1.2	$ ~0.3	$ ~0.9	$ ~1.35 - 1.40
Adjusted for:				
Restructuring charges	~(0.1)			
MTM adjustments on investments	~0.1			
Non-GAAP	$ ~1.2	$ ~0.3	$ ~0.9	$ ~1.35 - 1.40

Non-GAAP Financial Measures

Average fuel price per gallon, adjusted

		Three Months Ended (Projected) December 31, 2022
Average fuel price per gallon	$	~3.24
Adjusted for:		
MTM adjustments and settlements on hedges		~0.01
Average fuel price per gallon, adjusted	$	~3.25

Non-Fuel Unit Cost or Cost per Available Seat Mile, adjusted ("CASM-Ex")

(in cents)	Three Months Ended March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2022	June 30, 2022	September 30, 2022	(Projected) December 31, 2022	1Q22 vs 1Q19 % change	2Q22 vs 2Q19 % change	3Q22 vs 3Q19 % change	4Q22 vs 4Q19% change
CASM	15.14	14.51	13.85	15.34	19.56	20.89	19.87	~19.70 - 19.80				
Adjusted for:												
Restructuring charges	–	–	–	–	0.01	–	–	~0.10				
Third-party refinery sales	(0.08)	(0.06)	(0.01)	–	(2.29)	(2.57)	(1.80)	~(1.65)				
Aircraft fuel and related taxes	(3.17)	(3.19)	(2.96)	(3.08)	(4.04)	(5.47)	(5.26)	~(4.70)				
Profit Sharing	(0.35)	(0.72)	(0.68)	(0.59)	–	(0.09)	(0.38)	~(0.45)				
Delta Private Jets adjustment	(0.05)	(0.06)	(0.05)	(0.07)	–	–	–	–				
CASM-Ex	11.49	10.47	10.15	11.59	13.24	12.76	12.43	~13.00 - 13.10	15%	22%	22%	~12 - 13%

(in cents)	Year Ended December 31, 2019	(Projected) December 31, 2022	FY22 vs FY19 % change
CASM	14.67	~19.95 - 20.05	
Adjusted for:			
Restructuring charges	–	~0.05	
Third-party refinery sales	(0.04)	~(2.05)	
Aircraft fuel and related taxes	(3.10)	~(4.90)	
Profit sharing	(0.60)	~(0.25)	
Delta Private Jets adjustment	(0.06)	–	
CASM-Ex	10.88	~12.80 - 12.90	~18.1%

Non-GAAP Financial Measures

After-tax Return on Invested Capital ("ROIC"). We present after-tax return on invested capital as management believes this metric is helpful to investors in assessing the company's ability to generate returns using its invested capital as a measure against the industry. Return on invested capital is tax-effected adjusted total pre-tax income divided by average adjusted invested capital. Average adjusted invested capital represents the sum of the adjusted book value of equity at the end of the last five quarters, adjusted for pension and fuel hedge impacts within other comprehensive income. Average adjusted gross debt is calculated using amounts as of the end of the last five quarters. All adjustments to calculate ROIC are intended to provide a more meaningful comparison of our results to the airline industry.

(in billions)		Year Ended (Projected) December 31, 2022
Pre-tax adjusted income	$	~4
Tax effect	$	~(1)
Tax-effected adjusted total pre-tax income	$	~3
Adjusted book value of equity	$	~12
Average adjusted gross debt		~31
Averaged adjusted invested capital	$	~43
After-tax Return on Invested Capital		~8%

Non-GAAP Financial Measures

Free Cash Flow. We present free cash flow because management believes this metric is helpful to investors to evaluate the company's ability to generate cash that is available for use for debt service or general corporate initiatives. Free cash flow is defined as net cash from operating activities and net cash from investing activities, adjusted for (i) net redemptions of short-term investments, (ii) strategic investments and related, (iii) net cash flows related to certain airport construction projects and other, and (iv) financed aircraft acquisitions. These adjustments are made for the following reasons:

Net redemptions of short-term investments. Net (redemptions) of short-term investments represent the net purchase and sale activity of investments and marketable securities in the period, including gains and losses. We adjust for this activity to provide investors a better understanding of the company's free cash flow generated by our operations.

Strategic investments and related. Cash flows related to our investments in and related transactions with other airlines are included in our GAAP investing activities. We adjust for this activity because it provides a more meaningful comparison to our airline industry peers.

Net cash flows related to certain airport construction projects and other. Cash flows related to certain airport construction projects are included in our GAAP operating activities and capital expenditures. We have adjusted for these items, which were primarily funded by cash restricted for airport construction, to provide investors a better understanding of the company's free cash flow and capital expenditures that are core to our operations in the periods shown.

Financed aircraft acquisitions. This adjustment reflects aircraft deliveries that are leased as capital expenditures. The adjustment is based on their original contractual purchase price or an estimate of the aircraft's fair value and provides a more meaningful view of our investing activities.

(in billions)	Year Ended (Projected) December 31, 2022
Net cash provided by operating activities:	$ ~5.9
Net cash used in investing activities:	~(6.4)
Adjusted for:	
Net redemptions of short-term investments	~(0.4)
Strategic investments and related	~0.7
Net cash flows related to certain airport construction projects and other	~0.5
Financed aircraft acquisitions	~(0.2)
Free cash flow	$ ~0.1

Non-GAAP Financial Measures

Gross Capital Expenditures. We adjust capital expenditures for the following items to determine gross capital expenditures for the reasons described below:

Financed aircraft acquisitions. This adjusts capital expenditures to reflect aircraft deliveries that are leased as capital expenditures. The adjustment is based on their original contractual purchase price or an estimate of the aircraft's fair value and provides a more meaningful view of our investing activities.

Net cash flows related to certain airport construction projects. Cash flows related to certain airport construction projects are include in capital expenditures. We have adjusted for these items because management believes investors should be informed that a portion of these capital expenditures from airport construction projects are either funded with restricted cash specific to these projects or reimbursed by a third party.

(in billions)		Year Ended (Projected) December 31, 2022
Flight equipment, including advance payments	$	~4.4
Ground property and equipment, including technology		~1.8
Adjusted for:		
Financed aircraft acquisitions		~0.2
Net cash flows related to certain airport construction projects		~(0.5)
Gross capital expenditures	$	~5.8

Non-GAAP Financial Measures

Adjusted Debt to Earnings Before Interest, Taxes, Depreciation, Amortization and Rent ("EBITDAR"). We present adjusted debt to EBITDAR because management believes this metric is helpful to investors in assessing the company's overall debt profile. Adjusted debt includes operating lease liabilities. We calculate EBITDAR by adding depreciation and amortization to GAAP operating income and adjusting for the fixed portion of operating lease expense.

(in billions)		(Projected) December 31, 2022
Debt and finance lease obligations	$	~23
Plus: Operating lease liability		~8
Plus: Sale leaseback liability		~2
Adjusted Debt	$	~33

(in billions)		Year Ended (Projected) December 31, 2022
Operating income	$	~4
Adjusted for:		
Depreciation and amortization		~2
Fixed portion of operating lease expense		~1
EBITDAR	$	~6
Adjusted Debt to EBITDAR		5x

Non-GAAP Financial Measures

Adjusted Net Debt. Delta uses adjusted total debt, including aircraft rent, in addition to adjusted debt and finance leases, to present estimated financial obligations. Delta reduces adjusted total debt by cash, cash equivalents, short-term investments, resulting in adjusted net debt, to present the amount of assets needed to satisfy the debt. Management believes this metric is helpful to investors in assessing the company's overall debt profile.

(in billions)		(Projected) December 31, 2022
Debt and finance lease obligations	$	~23
Plus: sale-leaseback financing liabilities		~2
Adjusted debt and finance lease obligations		~25
Plus: 7x last twelve months' aircraft rent		~4
Adjusted total debt	$	~29
Less: cash, cash equivalents and short-term investments		~(7)
Adjusted net debt	$	~22