

October 28, 2022

THIRD QUARTER 2022 RESULTS
STRONG RESULTS DRIVEN BY FAVORABLE TRAVEL DEMAND AND CONTINUED GROUP TRANSFORMATION
REVENUES, OPERATING RESULT AND MARGIN ABOVE 2019 DESPITE LOWER CAPACITY AND INFLATIONARY PRESSURE ON COST

- Group revenues at €8.1bn, above 2019 level (+€503m)
- Group capacity at 89% of 2019 level with load factor at 88% close to 2019 level (90%)
- Operating result at €1,024m with operating margin at 12.6% above 2019 level (12.0%)
- Positive Adjusted operating free cash flow for the 6th quarter in a row at €290m
- Net debt down by €2.3bn euros, compared to end of 2021
- Return to positive operating result expected for Full Year above €900m¹

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

“Thanks to solid preparation and to our agile approach to capacity, Air France-KLM was able to make the most of the strong travel demand this quarter. While the situation remains unsatisfactory in some key airports-, notably impacting KLM at its Amsterdam Schiphol hub, we saw significant improvements following the operational challenges that had erupted earlier this year. The Group posted a strong operating result in spite of rising fuel costs and inflation, and the Group remains confident in its ability to further increase capacity during the Winter season.

I would like to thank all customers who chose to fly with us, and our employees who did their very best to welcome them at every step of their journey. Going forward we will continue to implement our transformation plan and accelerate our sustainability efforts, as illustrated by the recent signing of long-term SAF supply contracts. This reinforces our position as a responsible leader in transportation, as well as our commitment to being frontrunners in the decarbonization of our industry.”

Strong improvement Third quarter revenues, operating result and margin

	Third quarter			Nine Months		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Revenues (€m)	8,112	+77.6%	+72.2%	19,264	+103.3%	+98.7%
EBITDA (€m)	1,677	883	886	2,829	2,911	2,935
Operating result (€m)	1,024	894	897	1,060	2,864	2,886
Operating margin (%)	12.6%	+9.8 pt	+9.9 pt	5.5%	+24.5 pt	+24.3 pt
Net income – Group part (€m)	460	+653		232	+3,396	
Adj. operating free cash flow (€m)	290	+12		2,453	+3,309	
Net debt at end of period (€m) ²				5,965	-2,251	

¹ based on fuel forward curve at 21 October 2022 and under currently foreseen circumstances

² Change versus 31 Dec 2021

In the third quarter 2022, the Air France-KLM Group posted a positive operating result of 1,024 million euros, up by 897 million euros at a constant currency compared to last year. This increase was driven by an increase in capacity, load factor and yield.

Net income amounted to 460 million euros in the third quarter 2022, an increase of 653 million euros compared to last year.

	Third quarter			Nine Months		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Passengers (thousands)	25,002	+47.6%		62,328	+116.5%	
Capacity (ASK m)	79,937	+29.1%		210,129	+54.3%	
Traffic (RPK m)	70,645	+70.7%		175,145	+139.1%	
Passenger load factor	88.4%	21.6pt		83.4%	29.6pt	
Passenger unit revenue per ASK (€ cts)	8.59	+56.7%	+52.0%	7.30	+68.1%	+63.8%
Group unit revenue per ASK (€ cts)	9.49	+42.6%	+37.9%	8.40	+39.8%	+35.8%
Group unit cost per ASK (€ cts) at constant fuel	8.21	+27.3%	+1.8%	7.90	+7.7%	-8.2%

In the Third quarter Air France-KLM welcomed 25 million passengers which is 47.6% above the same quarter in previous year. As capacity increased by 29.1% and traffic increased by 70.7%, the load factor increased by 21.6 points compared to last year.

The passenger unit revenue per ASK of the Group increased by 52% against a constant currency compared to the third quarter 2021. This increase was driven by both load factor and yield.

The group unit cost per ASK at constant fuel and constant currency is up 1.8% versus the same quarter last year.

The unit cost is up 2.9% at a constant fuel price and constant currency (USD & related currencies only) versus the third quarter of 2019, with a capacity down by 11%. The ongoing transformation programs enable Air France-KLM to limit the impact of increasing costs such as airport and ATC charges, and the increase of labor cost at KLM.

Compared to September 2019, the number of Full Time Equivalent (FTE's) at Air France, excluding Transavia France, decreased by 16% and by 11% at KLM.

In the third quarter staff costs decreased by 6% compared to the same quarter in 2019 thanks to FTE reduction.

Air France-KLM keeps redeeming liquidity support while maintaining a solid cash position

- In December 2021, Air France-KLM redeemed 0.5 billion euros of the outstanding 4 billion French State guaranteed loan provided by a syndicate of 9 Banks during Covid crisis ("PGE").
- By the end of June 2022, KLM fully redeemed its RCF and Dutch State Loan for a total amount of 0.9 billion euros
- In November 2022 Air France-KLM will pursue deleveraging and reprofiling its unsecured debt and will proceed with the partial and early redemption of the "PGE". The redemption amount will be 1.0 billion euros out of the 3.5 billion euros outstanding. The remaining bank loan profile will incur no further expected redemption till May 2024 and will remain unchanged beyond (till May 2025). As a result, the Group will reduce its overall financial charges and its exposure to floating rates.
- During 2022 and 2023, Air France-KLM will contemplate possible hybrid bonds issuances up to €1.2bn subject to market conditions
- The restoration of negative equity will be done through net profit generation and quasi-equity projects.

OUTLOOK

Context:

In the third quarter, Air France and KLM remained among the most active airlines to accommodate the travel recovery, with a capacity for Network passenger activity at index 85%, in line with the upper end of the guidance provided, meaning that the Group delivered according to its plan. Despite some isolated disruptions in Paris, operations were more robust in France than in other European countries while Schiphol remains in a challenging situation, in a context of a very tight labor market conditions, and imposed capacity restrictions to KLM.

Air France and KLM did their utmost to mitigate these challenges and continue to prioritise safeguarding the trust of their customers. For the third quarter, these disruptions resulted in 60 million euros additional compensation costs compared to the same quarter in 2019.

Capacity

Air France-KLM is confident that the recovery context will continue and therefore, the Group expects the capacity in Available Seat Kilometers for Air France-KLM Network passenger activity at an index of:

- Circa 85% for the fourth quarter of 2022
- Circa 80% for the Full Year 2022
- Circa 90% for the first quarter of 2023

All indices compared to the respective period of 2019.

The capacity of Transavia keeps on growing with Available Seat Kilometers expected at an index of circa 115 for the full year and at an index of circa 140 in both the fourth quarter 2022 and the first quarter 2023 compared to 2019.

Yield

The yield environment should remain healthy for the winter season with a solid demand in line with the capacity, resulting in yield levels above 2019.

Expected operating result

Above 900 million euros for Full Year 2022, based on fuel forward curve at 21 October 2022 and under currently foreseen circumstances.

Cash

As of September 30 2022, the Group has a strong 12.3 billion euros of liquidity and credit lines at its disposal.

Full year 2022 Net Capex spending is estimated at circa 2.3 billion euros, which is 80% fleet & fleet related and 20% IT & Ground related.

BUSINESS REVIEW

Network: Significant improvement in revenues and operating result

Network	Third quarter			Nine Months		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Total revenues (€m)	6,907	+82.2%	+76.1%	16,554	+106.6%	+101.0%
Scheduled revenues (€m)	6,695	+86.2%	+79.3%	15,902	+112.2%	+105.6%
Operating result (€m)	851	+864	+863	894	+2,626	+2,636

Third quarter 2022 total revenues increased by 76.1% at constant currency to 6,907 million euros. The operating result amounted to 851 million euros, which represents an 863 million euros increase at constant currency compared to last year.

Strong summer demand resulting in high yield across the diversified network

Passenger network	Third quarter			Nine Months		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Passengers (thousands)	18,980	+49.5%		48,478	+110.6%	
Capacity (ASK m)	67,908	+29.3%		182,176	+48.7%	
Traffic (RPK m)	59,948	+76.2%		151,294	+138.7%	
Load factor	88.3%	+23.5 pt		83.0%	+31.3 pt	
Total passenger revenues (€m)	6,077	+105.6%	+99.5%	13,896	+155.3%	+149.4%
Scheduled passenger revenues (€m)	5,974	+108.4%	+101.0%	13,585	+160.1%	+152.5%
Unit revenue per ASK (€ cts)	8.80	+61.2%	+55.5%	7.46	+75.0%	+69.8%

Third quarter 2022 capacity in Available Seat Kilometers (ASK) was 29.3% higher than last year and at 85% of 2019 third quarter level, which was at the upper end of the Group's guidance provided during the second quarter 2022 results presentation.

In response to the rise in fuel prices and other external costs, the Group proceeded to several fare increases during the first half of the year across all long-haul flights. The amount of the increase varied according to destination and class of travel, and applied to flights operated by Air France and KLM. Additionally, in line with the strong summer demand, the strong performance in Premium cabins and the solid corporate traffic recovery have all led to a yield above the 2019 level in the third quarter.

The third quarter result is driven by a strong performance of the entire network:

- North Atlantic: capacity was above 2019 thanks to a strong demand recovery. Yields were strongly up versus 2019 levels due to high demand, fare increases and a positive cabin mix.
- Latin America: capacity discipline on South America routes combined with a very resilient demand led to a strong yield.
- Asia: the strong yield performance is due to a limited capacity and the Group continues to observe significant differences between the regions. South East Asia and India showed positive dynamic in yield and traffic while China maintained its zero-Covid policy with severe travel restrictions.
- Middle-East: performance remained strong during the third quarter, especially on premium cabins and due to an increased traffic on some routes.
- Caribbean & Indian Ocean: the yields improved thanks to successive fare increases and a positive cabin mix effect.

- Africa: a strong corporate recovery was observed in all areas. For KLM, the performance was driven by East and South Africa with strong yield increase linked to positive cabin mix and a positive economy yield evolution. For Air France, performance was driven by West and Central African countries with a good steering strategy.
- Short and Medium-haul: strong booking dynamic since March. KLM is impacted by restrictions on flight departures from Amsterdam which led to traffic restriction. The yield is above 2019, especially on leisure routes with network capacity constraints and a positive competition environment.

During the third quarter, Air France added one Airbus A350-900 and two Airbus A220-300 to its fleet. One B777-200, two Airbus A380-800, two Airbus A320, one Airbus A319, one Airbus A318 and two Canadair Jet 1000 left the fleet. KLM phased in one Embraer 195 E2. The Group will continue to introduce new generation aircraft to its fleet in order to improve its economic and environmental performance.

Cargo: Strong yield increase mitigates lower load factor

Cargo business	Third quarter			Nine Months		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Tons (thousands)	223	-10.1%		695	-11.9%	
Capacity (ATK m)	3,538	+15.9%		9,853	+17.8%	
Traffic (RTK m)	1,635	-13.5%		5,132	-15.2%	
Load factor	46.2%	-15.7 pt		52.1%	-20.3 pt	
Total Cargo revenues (€m)	830	-0.6%	-5.2%	2,658	+3.5%	-0.2%
Scheduled cargo revenues (€m)	720	-1.2%	-5.5%	2,318	+2.0%	-1.5%
Unit revenue per ATK (€ cts)	20.36	-14.8%	-18.5%	23.52	-13.4%	-16.4%

Compared to the third quarter of 2021, cargo capacity increased by 15.9% in Available Ton Kilometers, mainly due to the increase in worldwide belly capacity. Despite this increased belly capacity the overall traffic decreased by 13.5% and resulted in a drop in load factor of almost 16 points. Yields, however, remained at a consistently high level (+14% vs. 2021), leading to a third quarter total revenue performance close to last year's level.

Compared to the pre-COVID year 2019, cargo capacity in the Third quarter was still 7% below. However, due to exceptional yield performance, total revenues in the Third quarter of 2022 were 61% higher compared to 2019.

Transavia: Significant increase in traffic resulted in a positive operating result

Transavia	Third quarter		Nine Months	
	2022	Change	2022	Change
Passengers (thousands)	6,022	+41.8%	13,850	+139.9%
Capacity (ASK m)	12,029	+28.1%	27,953	+104.9%
Traffic (RPK m)	10,697	+45.4%	23,851	+141.4%
Load factor	88.9%	+10.6 pt	85.3%	+12.9 pt
Total passenger revenues (€m)	855	+63.7%	1,705	+148.9%
Unit revenue per ASK (€ cts)	7.38	+32.0%	6.26	+24.1%
Unit cost per ASK (€ cts)	6.36	+42.3%	6.22	+5.9%
Operating result (€m)	123	+18	13	+126

In the Third quarter of 2022, the demand recovery in leisure traffic in Europe and North Africa continued. Compared to last year, the capacity in the third quarter increased by 28.1%, traffic increased by 45.4%, and the number of passengers increased by 41.8%.

The operating result stood at 123 million euros and improved by 18 million euros compared to the third quarter of 2021.

Compared to the same quarter in 2019, the third quarter of 2022 showed activity levels at index 110 and a load factor slightly below 2019 levels. The average unit revenue per ASK increased by 18% compared to 2019, mainly driven by a strong yield increase of 23%. The average unit cost per ASK increased by 36% versus 2019, mainly driven by the high fuelprice and high disruption cost.

The fleet of Transavia reached 100 aircraft in the third quarter and supported to capture the strong demand of leisure traffic in Europe.

Maintenance business: Solid performance continued in the third quarter

Maintenance	Third quarter			Nine Months		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Total revenues (€m)	826	+17.4%		2,568	+28.1%	
Third-party revenues (€m)	342	+38.6%	+32.2%	984	+29.4%	+30.8%
Operating result (€m)	46	+17	+19	147	+128	+136
Operating margin (%)	5.6%	+1.5 pt	+1.8 pt	5.7%	+4.8 pt	+5.2 pt

The third quarter operating result stood at 46 million euros, which represents an increase of 19 million euros at constant currency compared to the third quarter 2021 and is due to a higher activity and an operational improvement.

Total revenues increased by 17.4% in the third quarter while third party revenues increased by 38.6%, showing a strong recovery.

The operating margin stood at 5.6%, which is 1.5 points higher than the operating results in the third quarter 2021. The nine months year margin amounts to 5.7%, which is above the level of the pre-covid period but still included States supports.

Adjusted operating free cash flow positive in Q3 reducing the net debt slightly below €6bn

In € million	Third quarter		Nine Months	
	2022	Change	2022	Change
Cash flow before change in WCR and Voluntary Departure Plans, continuing operations (€m)	1,527	+856	2,437	+2,928
Cash out related to Voluntary Departure Plans (€m)	-50	+43	-175	+43
Change in Working Capital Requirement (WCR) (€m)	-587	-828	2,248	+887
Net cash flow from operating activities (€m)	890	71	4,510	3,858
Net investments* (€m)	-389	-69	-1,404	-550
Operating free cash flow (€m)	501	+2	3,106	3,308
Repayment of lease debt	-211	+10	-653	+1
Adjusted operating free cash flow**	290	+12	2,453	+3,309

* Sum of 'Purchase of property, plant and equipment and intangible assets' and 'Proceeds on disposal of property, plant and equipment and intangible assets' as presented in the consolidated cash flow statement.

** The "Adjusted operating free cash flow" is operating free cash flow after deducting the repayment of lease debt.

The Group generated an adjusted operating free cash flow in the third quarter 2022 of 290 million euros, which is slightly higher than last year. This is the sixth quarter in a row that the adjusted operating free cash flow is positive.

<i>In € million</i>	30 Sep 2022	31 Dec 2021
Net debt	5,965	8,216
EBITDA <i>trailing 12 months</i>	3,657	745
Net debt/EBITDA <i>trailing 12 months</i>	1.6 x	11.0 x

Both airlines operating margin above 10%

	Third quarter		Nine Months	
	2022	Change	2022	Change
Air France Group Operating result (€m)	570	+616	340	+1,795
<i>Operating margin (%)</i>	11.4%	+13.0 pt	2.9%	+28.0 pt
KLM Group Operating result (€m)	443	+274	708	+1,062
<i>Operating margin (%)</i>	13.7%	+4.8 pt	8.9%	+17.7 pt

We can see significant improvement in the Operating result of both airlines with the operating margin of Air France being above its 2019 level.

The results presentation is available at www.airfranceklm.com on October 28, 2022 from 7:15 am CET.

A conference call hosted by Mr. Smith (CEO) and Mr. Zaat (CFO) will be held on October 28, 2022 at 08.30 am CET.

To connect to the conference call, please dial:

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Income Statement

€m	Third quarter			Nine Months		
	2022	2021*	Change	2022	2021*	Change
Revenues from ordinary activities	8,112	4,567	+78 %	19,264	9,477	+103 %
Aircraft fuel	-2,325	-828	+181 %	-5,184	-1,811	+186 %
Chartering costs	-92	-85	+8 %	-285	-232	+23 %
Landing fees and air route charges	-488	-374	+30 %	-1,271	-835	+52 %
Catering	-206	-124	+66 %	-525	-250	+110 %
Handling charges and other operating costs	-468	-307	+52 %	-1,189	-710	+67 %
Aircraft maintenance costs	-524	-389	+35 %	-1,643	-1,181	+39 %
Commercial and distribution costs	-257	-124	+107 %	-641	-255	+151 %
Other external expenses	-375	-292	+28 %	-1,077	-839	+28 %
Salaries and related costs	-1,897	-1,408	+35 %	-5,239	-3,813	+37 %
Taxes other than income taxes	-38	-30	+27 %	-118	-100	+18 %
Other income and expenses	235	188	+25 %	737	467	+58 %
EBITDA	1,677	794	+111 %	2,829	-82	nm
Amortization, depreciation and provisions	-653	-664	-2%	-1,769	-1,722	+3 %
Income from current operations	1,024	130	+688 %	1,060	-1,804	nm
Sales of aircraft equipment	6	-6	nm	44	-20	nm
Other non-current income and expenses	-30	-54	-44%	-44	-906	-95%
Income from operating activities	1,000	70	+1329 %	1,060	-2,730	nm
Cost of financial debt	-139	-144	-3%	-416	-483	-14%
Income from cash and cash equivalent	9	-1	nm	9	2	+350 %
Net cost of financial debt	-130	-145	-10%	-407	-481	-15%
Other financial income and expenses	-335	-114	+194 %	-621	-199	+212 %
Income before tax	535	-189	nm	32	-3,410	nm
Income taxes	-71	-6	+1083 %	208	256	-19%
Net income of consolidated companies	464	-195	nm	240	-3,154	nm
Share of profits (losses) of associates	2	3	-33%	–	-13	nm
Net income for the period	466	-192	nm	240	-3,167	nm
Non-controlling interests	6	1	+500 %	8	-3	nm
Net income for the period – Group part	460	-193	nm	232	-3,164	nm

* Restated figures include the change in accounting principles for pensions (interpretation of IAS19)

Consolidated Balance Sheet

Assets		
<i>€m</i>		
	30 Sep 2022	31 Dec 2021
Goodwill	225	222
Intangible assets	1,201	1,235
Flight equipment	10,298	10,466
Other property, plant and equipment	1,349	1,402
Right-of-use assets	5,536	5,148
Investments in equity associates	111	109
Other non-current financial assets	1,126	951
Non-current derivatives financial assets	525	143
Deferred tax assets	527	278
Total non-current assets	20,898	19,954
Assets held for sale	78	74
Other current financial assets	832	484
Current derivatives financial assets	676	469
Inventories	693	567
Trade receivables	2,133	1,511
Other current assets	989	966
Cash and cash equivalents	8,264	6,658
Total current assets	13,665	10,729
Total assets	34,563	30,683
Liabilities and equity		
<i>In million euros</i>		
	30 Sep 2022	31 Dec 2021
Issued capital	2,571	643
Additional paid-in capital	5,217	4,949
Treasury shares	-25	-25
Perpetual bonds	912	3,151
Reserves and retained earnings	-11,988	-12,542
Equity attributable to equity holders of Air France-KLM	-3,313	-3,824
Non-controlling interests	516	8
Total Equity	-2,797	-3,816
Pension provisions	1,381	1,939
Non-current return obligation liability and other provisions	4,715	4,055
Non-current financial liabilities	10,695	11,274
Non-current lease debt	3,554	2,924
Non-current derivatives financial liabilities	3	25
Deferred tax liabilities	1	1
Other non-current liabilities	2,426	2,555
Total non-current liabilities	22,775	22,773
Current return obligation liability and other provisions	677	885
Current financial liabilities	1,074	1,215
Current lease debt	878	825
Current derivatives financial liabilities	128	46
Trade payables	2,714	1,850
Deferred revenue on ticket sales	4,132	2,644
Frequent flyer programs	886	888
Other current liabilities	4,093	3,369
Bank overdrafts	3	4
Total current liabilities	14,585	11,726
Total equity and liabilities	34,563	30,683

Statement of Consolidated Cash Flows from 1st January until 30 September 2022

€m	30 Sep 2022	30 Sep 2021*
Net income	240	-3,167
Amortization, depreciation and operating provisions	1,770	1,722
Financial provisions	105	89
Loss (gain) on disposals of tangible and intangible assets	-45	18
Loss (gain) on disposals of subsidiaries and associates	-	-25
Derivatives – non monetary result	-28	-33
Unrealized foreign exchange gains and losses, net	523	172
Share of (profits) losses of associates	-	13
Deferred taxes	-234	-262
Impairment	19	37
Other non-monetary items	-88	727
Financial Capacity	2,262	-709
(Increase) / decrease in inventories	-119	-47
(Increase) / decrease in trade receivables	-431	-365
Increase / (decrease) in trade payables	786	415
Increase / (decrease) in advanced ticket sales	1,489	142
Change in other receivables and payables	523	1,216
Change in working capital requirement	2,248	1,361
Net cash flow from operating activities	4,510	652
Acquisition of subsidiaries, of shares in non-controlled entities	-1	-2
Purchase of property, plant and equipment and intangible assets	-2,082	-1,543
Proceeds on disposal of subsidiaries, of shares in non-controlled entities	-	71
Proceeds on disposal of property, plant and equipment and intangible assets	678	689
Dividends received	1	2
Decrease (increase) in net investments, more than 3 months	-240	37
Net cash flow used in investing activities	-1,644	-746
Increase of equity	1,551	1,026
Capital increase paid by non controlling interests	3	-
Perpetual	-983	-
Coupons on perpetual	-238	-
Issuance of debt	769	1,546
Repayment on debt	-1,600	-1,323
Payments on lease debt	-653	-654
New loans	-177	-35
Repayment on loans	16	93
Net cash flow from financing activities	-1,312	653
Effect of exchange rate on cash and cash equivalents and bank overdrafts (net of cash acquired or sold)	53	9
Change in cash and cash equivalents and bank overdrafts	1,607	568
Cash and cash equivalents and bank overdrafts at beginning of period	6,654	6,422
Cash and cash equivalents and bank overdrafts at end of period	8,261	6,990

* Restated figures include the change in accounting principles for pensions (interpretation of IAS19)

Return on capital employed (ROCE)

<i>In million euros</i>	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30* Sep 2021	30* Jun 2021	31* Mar 2021	31* Dec 2020
Goodwill and intangible assets	1,425	1,437	1,473	1,457	1,456	1,464	1,479	1,445
Flight equipment	10,298	10,521	10,537	10,466	10,478	10,645	10,800	11,031
Other property, plant and equipment	1,349	1,358	1,378	1,402	1,418	1,453	1,476	1,548
Right of use assets	5,536	5,439	5,205	5,148	5,061	5,033	4,795	4,678
Investments in equity associates	111	108	107	109	172	166	223	230
Financial assets excluding marketable securities and financial deposits	164	162	158	157	147	147	146	146
Provisions, excluding pension, cargo litigation and restructuring	-4,792	-4,473	-4,240	-4,180	-4,180	-4,033	-4,083	-3,923
WCR, excluding market value of derivatives	-10,434	-11,156	-9,589	-8,262	-7,995	-7,745	-6,410	-6,505
Capital employed	3,657	3,396	5,029	6,297	6,557	7,130	8,426	8,650
Average capital employed (A)		4,595				7,691		
Adjusted results from current operations		1,238				-2,941		
- Share of profits (losses) of associates		-13				-19		
- Normative income tax		-317				846		
Adjusted result from current operations after tax (B)		908				-2,114		
ROCE, trailing 12 months (B/A)		19.8%				-27.5%		

* Restated figures include the change in accounting principles for pensions (interpretation of IAS19)

Net debt

€m	Balance sheet at	
	30 Sep 2022	31 Dec 2021
Current and non-current financial liabilities	11,769	12,489
Current and non-current lease debt	4,432	3,749
Accrued interest	-128	-128
Deposits related to financial liabilities	-101	-99
Deposits related to lease debt	-107	-85
Derivatives impact on debt	-101	-14
Gross financial debt (A)	15,764	15,912
Cash and cash equivalents	8,264	6,658
Marketable securities	204	189
Cash secured	552	324
Triple A bonds	782	529
Bank overdrafts	-3	-4
Net cash (B)	9,799	7,696
Net debt (A) – (B)	5,965	8,216

Adjusted operating free cash flow

€m	Third quarter		Nine Months	
	2022	2021	2022	2021
Net cash flow from operating activities	890	819	4,510	652
Investment in property, plant, equipment and intangible assets	-591	-444	-2,082	-1,543
Proceeds on disposal of property, plant, equipment and intangible assets	202	124	678	689
Operating free cash flow	501	499	3,106	-202
Payments on lease debt	-211	-221	-653	-654
Adjusted operating free cash flow	290	278	2,453	-856

Bridge from EBITDA to Financial capacity

	Third quarter		Nine Months	
	2022	2021*	2022	2021*
EBITDA	1,677	794	2,829	(82)
Provisions (CO2 and other)	31	12	15	-16
Correction of spare parts inventory	1	-	4	4
Addition to pension provisions	32	32	97	168
Reversal to pension provisions (cash-out)	-18	-17	-50	-100
Sales of tangible and intangible assets (excluding aeronauticals)	-4	-	27	31
Income from operation activities - cash impact	1,719	821	2,922	5
Restructuring costs	-50	-93	-175	-218
Other non-current income and expenses	-5	-3	-7	-66
Cost of financial debt	-146	-137	-429	-440
Financial income	5	-4	-3	-11
Realized foreign exchanges gain/loss	-14	1	-11	49
Termination of trading hedges - cash	-	-	-	-8
Settlements of forwards derivatives - cash	-	-1	-	-3
Current income tax	-22	-4	-26	-6
Other financial charges & expenses - cash	-11	-	-11	-8
Other elements	1	-2	2	-3
Financial capacity	1,477	578	2,262	-709

* Restated figures include the change in accounting principles for pensions (interpretation of IAS19)

Unit cost: net cost per ASK

	Third quarter		Nine Months	
	2022	2021*	2022	2021*
Revenues (in €m)	8,112	4,567	19,264	9,477
Income/(loss) from current operations (in €m) -/-	-1,024	-130	-1,060	1,804
Total operating expense (in €m)	7,088	4,437	18,204	11,281
Passenger network business – other revenues (in €m)	-103	-90	-311	-221
Cargo network business – other revenues (in €m)	-109	-106	-340	-296
Third-party revenues in the maintenance business (in €m)	-342	-247	-984	-760
Transavia - other revenues (in €m)	33	3	45	3
Third-party revenues of other businesses (in €m)	-8	-8	-21	-20
Net cost (in €m)	6,559	3,990	16,593	9,987
Capacity produced, reported in ASK*	79,937	61,925	210,129	136,179
Net cost per ASK (in € cents per ASK)	8.21	6.44	7.90	7.33
<i>Gross change</i>		27.3%		7.7%
Currency effect on net costs (in €m)		-142		-260
<i>Change at constant currency</i>		23.0%		4.9%
Fuel price effect (in €m)		858		1,464
Net cost per ASK on a constant currency and fuel price basis (in € cents per ASK)	8.21	8.06	7.90	8.60
Change at constant currency and fuel price basis		+1.8%		-8.2%

* Restated figures include the change in accounting principles for pensions (interpretation of IAS19)

(1) The capacity produced by the transportation activities is combined by adding the capacity of the Passenger network (in ASK) to that of Transavia (in ASK).

Group results

Air France Group

	Third quarter		Nine Months	
	2022	Change	2022	Change
Revenue (in €m)	5,001	+78.1%	11,744	+102.7%
EBITDA (in €m)	1,007	+629	1,429	+1,846
Operating result (in €m)	570	+616	340	+1,795
<i>Operating margin (%)</i>	11.4%	+13.0 pt	2.9%	+28.0 pt
Operating cash flow before WCR and restructuring cash out (in €m)	890	+580	1,144	+1,854
<i>Operating cash flow (before WCR and restructuring) margin</i>	17.8%	+6.8 pt	9.7%	+22.0 pt

KLM Group

	Third quarter		Nine Months	
	2022	Change	2022	Change
Revenue (in €m)	3,236	+71.2%	7,921	+96.7%
EBITDA (in €m)	688	+280	1,417	+1,087
Operating result (in €m)	443	+274	708	+1,062
<i>Operating margin (%)</i>	13.7%	+4.8 pt	8.9%	+17.7 pt
Operating cash flow before WCR and restructuring cash out (in €m)	654	+288	1,321	+1,125
<i>Operating cash flow (before WCR and restructuring) margin</i>	20.2%	+0.9 pt	16.7%	+11.8 pt

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

Group fleet at 30 September 2022

Aircraft type	AF (incl. HOP)	KL (incl. KLC & MP)	Transavia	Owned	Finance lease	Operating lease	Total	In operation	Change / 31/12/21
B777-300	43	16		17	18	24	59	59	
B777-200	18	15		26		7	33	33	-3
B787-9	10	13		4	7	12	23	23	
B787-10		6		2	4		6	6	1
A380-800	6			3	1	2	6		
A350-900	19			3	7	9	19	19	7
A330-300		5				5	5	5	1
A330-200	15	6		11		10	21	21	
Total Long-Haul	111	61	0	66	37	69	172	166	6
B737-900		5		5			5	5	
B737-800		31	96	34	8	85	127	127	11
B737-700		10	4	7		7	14	14	
A321	19			11		8	19	18	
A320	39			3	4	32	39	39	-3
A319	24			12		12	24	22	-6
A318	11			6		5	11	11	-1
A220-300	12			8		4	12	12	6
Total Medium-Haul	105	46	100	86	12	153	251	248	6
Canadair Jet 1000	7			7			7	4	-7
Canadair Jet 700									
Embraer 195 E2		13				13	13	13	6
Embraer 190	19	30		17	4	28	49	49	2
Embraer 175		17		3	14		17	17	
Embraer 170	13			10		3	13	13	-2
Embraer 145	2			2			2		
Total Regional	41	60	0	39	18	44	101	96	-1
B747-400ERF		3		3			3	3	
B747-400BCF		1		1			1	1	
B777-F	2					2	2	2	
Total Cargo	2	4	0	4	0	2	6	6	0
Total	259	171	100	195	67	268	530	516	11

THIRD QUARTER 2022 TRAFFIC

Passenger network activity*

Total Passenger network*	Q3			Year to date		
	2022	2021	Variation	2022	2021	Variation
Passengers carried ('000s)	18,980	12,695	49.5%	48,478	23,016	110.6%
Revenue pax-kilometers (m RPK)	59,948	34,019	76.2%	151,294	63,381	138.7%
Available seat-kilometers (m ASK)	67,908	52,531	29.3%	182,176	122,534	48.7%
Load factor (%)	88.3%	64.8%	23.5	83.0%	51.7%	31.3
Long-haul						
Passengers carried ('000s)	6,631	3,553	86.6%	16,785	6,891	143.6%
Revenue pax-kilometers (m RPK)	48,324	25,123	92.3%	122,719	48,287	154.1%
Available seat-kilometers (m ASK)	54,156	40,515	33.7%	146,681	100,466	46.0%
Load factor (%)	89.2%	62.0%	27.2	83.7%	48.1%	35.6
North America						
Passengers carried ('000s)	2,705	1,154	134.4%	6,235	1,852	236.8%
Revenue pax-kilometers (m RPK)	19,197	8,291	131.6%	44,584	13,433	231.9%
Available seat-kilometers (m ASK)	21,217	13,101	61.9%	53,508	29,169	83.4%
Load factor (%)	90.5%	63.3%	27.2	83.3%	46.1%	37.3
Latin America						
Passengers carried ('000s)	801	365	119.1%	2,243	731	206.7%
Revenue pax-kilometers (m RPK)	7,600	3,521	115.9%	21,326	7,034	203.2%
Available seat-kilometers (m ASK)	8,265	6,164	34.1%	24,066	16,621	44.8%
Load factor (%)	92.0%	57.1%	34.8	88.6%	42.3%	46.3
Asia / Middle East						
Passengers carried ('000s)	981	499	96.7%	2,474	1,100	124.9%
Revenue pax-kilometers (m RPK)	7,052	3,312	113.0%	17,560	7,350	138.9%
Available seat-kilometers (m ASK)	8,243	7,478	10.2%	22,853	21,826	4.7%
Load factor (%)	85.5%	44.3%	41.3	76.8%	33.7%	43.2
Africa						
Passengers carried ('000s)	1,078	779	38.5%	2,830	1,733	63.3%
Revenue pax-kilometers (m RPK)	6,453	4,337	48.8%	16,813	9,551	76.0%
Available seat-kilometers (m ASK)	7,389	6,259	18.1%	20,525	16,346	25.6%
Load factor (%)	87.3%	69.3%	18.0	81.9%	58.4%	23.5
Caribbean / Indian Ocean						
Passengers carried ('000s)	1,067	757	41.0%	3,006	1,475	103.7%
Revenue pax-kilometers (m RPK)	8,022	5,663	41.6%	22,437	10,918	105.5%
Available seat-kilometers (m ASK)	9,042	7,512	20.4%	25,729	16,503	55.9%
Load factor (%)	88.7%	75.4%	13.3	87.2%	66.2%	21.0
Short and Medium-haul						
Passengers carried ('000s)	12,348	9,141	35.1%	31,690	16,124	96.5%
Revenue pax-kilometers (m RPK)	11,624	8,896	30.7%	28,574	15,095	89.3%
Available seat-kilometers (m ASK)	13,753	12,016	14.5%	35,496	22,068	60.8%
Load factor (%)	84.5%	74.0%	10.5	80.5%	68.4%	12.1

* Air France and KLM

Transavia activity

Transavia	Q3			Year to date		
	2022	2021	Variation	2022	2021	Variation
Passengers carried ('000s)	6,022	4,246	41.8%	13,850	5,772	139.9%
Revenue pax-kilometers (m RPK)	10,697	7,359	45.4%	23,851	9,881	141.4%
Available seat-kilometers (m ASK)	12,029	9,393	28.1%	27,953	13,645	104.9%
Load factor (%)	88.9%	78.3%	10.6	85.3%	72.4%	12.9

Total group passenger activity**

Total group**	Q3			Year to date		
	2022	2021	Variation	2022	2021	Variation
Passengers carried ('000s)	25,002	16,940	47.6%	62,328	28,788	116.5%
Revenue pax-kilometers (m RPK)	70,645	41,378	70.7%	175,145	73,262	139.1%
Available seat-kilometers (m ASK)	79,937	61,924	29.1%	210,129	136,178	54.3%
Load factor (%)	88.4%	66.8%	21.6	83.4%	53.8%	29.6

** Air France, KLM and Transavia

Cargo activity

Total Group	Q3			Year to date		
	2022	2021	Variation	2022	2021	Variation
Revenue tonne-km (m RTK)	1,635	1,895	(13.7%)	5,132	6,055	(15.2%)
Available tonne-km (m ATK)	3,538	3,051	15.9%	9,853	8,362	17.8%
Load factor (%)	46.2%	62.1%	(15.9)	52.1%	72.4%	(20.3)

Air France activity

Total Passenger network activity	Q3			Year to date		
	2022	2021	Variation	2022	2021	Variation
Passengers carried ('000s)	11,528	7,520	53.3%	28,977	14,172	104.5%
Revenue pax-kilometers (m RPK)	36,159	20,304	78.1%	90,241	38,027	137.3%
Available seat-kilometers (m ASK)	40,992	29,189	40.4%	108,483	63,241	71.5%
Load factor (%)	88.2%	69.6%	18.6	83.2%	60.1%	23.1
Long-haul						
Passengers carried ('000s)	4,123	2,261	82.4%	10,454	4,402	137.5%
Revenue pax-kilometers (m RPK)	29,056	15,255	90.5%	73,573	29,265	151.4%
Available seat-kilometers (m ASK)	32,657	22,390	45.9%	87,849	50,642	73.5%
Load factor (%)	89.0%	68.1%	20.8	83.8%	57.8%	26.0
Short and Medium-haul						
Passengers carried ('000s)	7,405	5,260	40.8%	18,521	9,770	89.6%
Revenue pax-kilometers (m RPK)	7,103	5,050	40.7%	16,667	8,763	90.2%
Available seat-kilometers (m ASK)	8,335	6,799	22.6%	20,635	12,599	63.8%
Load factor (%)	85.2%	74.3%	10.9	80.8%	69.6%	11.2

Cargo activity	Q3			Year to date		
	2022	2021	Variation	2022	2021	Variation
Revenue tonne-km (m RTK)	834	837	(0.3%)	2,631	2,648	(0.7%)
Available tonne-km (m ATK)	2,025	1,592	27.2%	5,544	4,194	32.2%
Load factor (%)	41.2%	52.6%	(11.4)	47.5%	63.2%	(15.7)

KLM activity

Total Passenger network activity	Q3			Year to date		
	2022	2021	Variation	2022	2021	Variation
Passengers carried ('000s)	7,452	5,174	44.0%	19,501	8,843	120.5%
Revenue pax-kilometers (m RPK)	23,789	13,715	73.5%	61,053	25,354	140.8%
Available seat-kilometers (m ASK)	26,915	23,343	15.3%	73,692	59,294	24.3%
Load factor (%)	88.4%	58.8%	29.6	82.8%	42.8%	40.1
Long-haul						
Passengers carried ('000s)	2,508	1,293	94.0%	6,331	2,489	154.4%
Revenue pax-kilometers (m RPK)	19,268	9,870	95.2%	49,146	19,023	158.4%
Available seat-kilometers (m ASK)	21,498	18,125	18.6%	58,831	49,825	18.1%
Load factor (%)	89.6%	54.5%	35.2	83.5%	38.2%	45.4
Short and Medium-haul						
Passengers carried ('000s)	4,944	3,881	27.4%	13,169	6,354	107.3%
Revenue pax-kilometers (m RPK)	4,522	3,846	17.6%	11,907	6,332	88.0%
Available seat-kilometers (m ASK)	5,418	5,218	3.8%	14,861	9,469	56.9%
Load factor (%)	83.5%	73.7%	9.7	80.1%	66.9%	13.3

Cargo activity	Q3			Year to date		
	2022	2021	Variation	2022	2021	Variation
Revenue tonne-km (m RTK)	801	1,058	(24.3%)	2,502	3,407	(26.6%)
Available tonne-km (m ATK)	1,512	1,459	3.7%	4,309	4,169	3.4%
Load factor (%)	53.0%	72.5%	(19.5)	58.1%	81.7%	(23.7)