

FULL YEAR RESULTS 2023

February 29, 2024

Sustained demand translating into improved operating margin at 5.7%

Group's equity restored

- Group capacity at 93% compared to 2019 with load factor at 87%
- Group revenues at €30.0bn, up 14% compared to last year
- Operating result at €1.7bn with an operating margin at 5.7%, up +1.2pt compared to last year
- Net income at €0.9bn driving a return in positive equity at €0.5bn for the first time since 2019
- Net debt down by €1.3bn, compared to end of 2022 leading to a Net debt/EBITDA ratio of 1.2x; Cash at hand at €10.5bn
- 2 inaugural credit ratings highlighting the Group's ongoing transformation and an improved financial structure

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

"In 2023, we delivered on our commitment to strong operational and financial performance, while also maintaining our position as a benchmark airline Group for sustainability. Among our major achievements, we can be satisfied of our efforts to further strengthen our balance sheet and restore the Group's equity. We also placed a historic order for fifty Airbus A350s with purchase rights for forty additional aircraft, thereby accelerating our fleet's renewal with latest-generation aircraft that offer improved fuel efficiency, lower CO2 and noise emissions, and an enhanced experience for our customers. We also confirmed our position as the world's leading user of sustainable aviation fuel, demonstrating our determination to double down on this key decarbonization lever to achieve our sustainability objectives. I would like to thank all Air France-KLM employees whose hard work has made these accomplishments possible. Looking ahead to 2024, a key priority will be to continue reinforcing our performance, via the continued execution of our strategy. This year will mark Air France-KLM's 20th anniversary, an occasion made all the more special by the Paris 2024 Olympic and Paralympic Games, of which Air France is a proud official sponsor. We look forward to welcoming the world to France – athletes, delegates, supporters and more – onboard our aircraft to celebrate the world's largest event."

Operating result impacted by cargo unit revenue, geopolitical situation and disruptions in Q4

	Fourth quarter			Full Year		
	2023	change	change constant currency	2023	change	change constant currency
Revenues (€m)	7,407	+3.9%	+6.7%	30,019	+13.7%	+15.1%
EBITDA (€m)	601	-185	-159	4,208	593	624
Operating result (€m)	-56	-190	-164	1,712	519	550
Operating margin (%)	-0.8%	-2.6pt	-2.3pt	5.7%	+1.2pt	+1.2pt
Net income - Group part (€m)	-256	-752		934	206	
Adj. operating free cash flow (€m)	-1,198	-648		-392	-2,295	

	31 Dec 2023	31 Dec 2022
Net Debt	5,041	6,337
EBITDA trailing 12 months	4,208	3,615
Net Debt/EBITDA ratio	1.2x	1.8x

	Fourth quarter			Full Year		
	2023	change	change constant currency	2023	change	change constant currency
Group unit revenue per ASK (€ cts)	8.56	-3.6%	-1.2%	8.80	+3.3%	+4.5%
Group unit cost per ASK (€ cts) at constant fuel	8.63	-0.7%	+3.5%	8.25	+1.8%	+4.7%

Fourth Quarter 2023

In the fourth quarter, revenues were up +6.7% at a constant currency compared to Q4 2022 supported by a combination of an increase in capacity (+6%) and an improved passenger yield (+3.2%) partly absorbed by a cargo unit revenue decrease (-31.8%).

The operating result was €190 million below last year standing at -€56 million and was impacted by the geopolitical situation in Africa and in the Middle East (€65m) and an increase of the unit cost, although partly compensated by a lower jet fuel price.

The group unit cost per ASK at constant fuel and constant currency is up 3.5% versus last year due an increase in operational disruption costs for €70 million and a one-time non-cash impact (IFRS2) related to the employee shareholding plan for €30m.

Full-Year 2023

Air France-KLM recorded the highest revenue in its history in 2023, amounting to €30bn, up +15.1% at constant currency. The operating margin stood at 5.7%, sequentially improving by +1.2pt compared to last year thanks to a combination of strong yield and load factor. Net income amounted to €934 million, up by €206 million, which, combined with the quasi equity financings occurred during the year, leads to a return in positive equity (€0.5bn).

Air France-KLM Group
Full year results 2023

The full year adjusted operating free cash flow was impacted by the payment of the wage taxes, pensions & social charges accumulated during Covid (€350 million).

In January 2024, Air France fully redeemed €610 million of the deferred pensions payment to the Caisse des Retraites des Personnels Navigants (CRPN). The Group will redeem the remaining social charges and wage taxes of around €1.7 billion until 2027.

The net debt ended at €5.0 billion representing an improvement of €1.3 billion compared to 2022.

Passenger unit revenue up thanks to improved load factor and yield

	Fourth quarter			Full Year		
	2023	change	change constant currency	2023	change	change constant currency
Passengers (thousands)	22,347	+6.4%		93,565	+12.3%	
Capacity (ASK m)	77,024	+6.0%		309,505	+9.5%	
Traffic (RPK m)	65,691	+5.3%		270,134	+13.7%	
Passenger load factor	85.3%	-0.6pt		87.3%	+3.3pt	
Passenger unit revenue per ASK (€ cts)	7.90	+0.4%	+2.8%	8.15	+9.5%	+10.7%

In the fourth quarter 2023, Air France-KLM welcomed 22.3 million passengers which is 6.4% above previous year. As capacity increased by 6.0% and traffic grew by 5.3%, the load factor was broadly stable at -0.6 point compared to last year.

The Group passenger unit revenue per ASK was up +2.8% at constant currency compared to last year. This increase was driven by an increase in yield across all long-haul geographies and Short & Medium-haul.

Upsizing and the completion of a quasi-equity financing of €1.5 billion

Following the signing on October 26, 2023, of a definitive agreement between Air France-KLM and Apollo (NYSE: APO) regarding the financing of a dedicated operating affiliate of Air France-KLM, the companies announced on November 30th, that they have completed the transaction for an upsized total amount of €1.5 billion.

The financing by Apollo-managed and third-party investment vehicles supports a dedicated operating affiliate of Air France-KLM that holds the trademark and most of the commercial partners contracts related to Air France and KLM's joint loyalty program ("Flying Blue") as well as the exclusive right to issue "Miles" for the airlines and their partners. The financing is accounted for as equity under IFRS. As announced by Air France-KLM during its Q3 2023 results, this outcome materializes the steps implemented by the Group to restore its IFRS equity to positive by year end.

The transaction upsize to €1.5 billion reflects strong investor confidence and the quality of Air France-KLM Flying Blue Miles issuance activity. The transaction terms disclosed in late October 26, 2023, remain unchanged, with a fixed coupon of 6.4% p.a. for the first four years, with the right for Air France KLM to redeem with at overall financing fixed cost of 6.75% at the first call date.

The agreed structure will incur no material changes for Flying Blue members. Air France-KLM will continue managing and operating the Flying Blue loyalty program, and Air France and KLM will each keep full control on the Flying Blue customer database. In addition, the financing structure will not affect social aspects for Air France, KLM nor Air France-KLM employees' contracts.

Success of Air France-KLM Group's global employee shareholding plan

On December 21st, 2023, Air France-KLM has successfully finalized its "Partners for the future" employee shareholding offer, a capital increase reserved for approximately 75,000 eligible employees of the Group, launched in November 2023.

For this Group's first worldwide operation, approximately 17,000 employees located in 19 countries, representing approximately 22% of the total workforce of the Group, have subscribed to the "Partners for the future" offer, enabling them to invest in Air France-KLM shares on preferential terms.

The total subscription amounts to nearly 46,073,029 euros, corresponding to the issue of 5,716,256 new shares with a par value of one euro each. As a result, the Company's share capital was increased by 5,716,256 euros, from 257,053,613 euros to 262,769,869 euros.

Following this issuance, the employee shareholders in Air France-KLM's share capital, within the meaning of Article L. 225-102 of the French Commercial Code, is just over 3% of the share capital.

2024 OUTLOOK

Capacity

The Group expects the capacity in Available Seat Kilometers for Air France-KLM Group including Transavia to increase by 5% in 2024 compared to 2023.

Unit cost¹

For the first quarter 2024, the Group expects a unit cost up +4% compared to 2023 due to the continuation of high disruption cost in the first two months and a one-time payment of 2% of the yearly salary to the KLM staff as agreed in the Collective Labour Agreement.

For the full year 2024, the Group expects a unit cost in the range of 1% to 2% compared to 2023.

Capex

Full year 2024 net capex is expected to stand between 3.0 billion and 3.2 billion euros.

¹ against a constant fuel price, constant currency and excluding Emission Trading Scheme cost (ETS)

Business review

Strong year for the network operations

Network	Fourth quarter			Full Year		
	2023	change	change constant currency	2023	change	change constant currency
Traffic revenues (€m)	6,055	+1.9%	+4.6%	24,560	+12.4%	+13.9%
Total revenues (€m)	6,342	+2.2%	+4.8%	25,636	+12.6%	+14.0%
Operating result (€m)	60	-178	-155	1,693	+562	+574
Operating margin (%)	0.9%	-2.9 pt		6.6%	1.6 pt	

Compared to the fourth quarter 2022, total revenues increased by +2.2% to €6,342 million. The operating result was positive and stood at €60 million despite geopolitical tensions. The increase in revenues was driven by the high demand in passenger network despite the weakening of Cargo market.

Altogether, the network activity posted a strong operating result at €1,693 million in 2023, representing an improvement of €562 million compared to last year. As a consequence, the operating margin rose by 1.6pt to 6.6%. This result was mainly driven by a combination of strong yield and load factor at passenger business.

Like in Q4 2023, Q1 2024 will be impacted as well by operational disruptions, while Air France started to fly again to Tel Aviv as per 24th of January.

Robust growth in unit revenue

Passenger network	Fourth quarter			Full Year		
	2023	change	change constant currency	2023	change	change constant currency
Passengers (thousands)	17,736	+7.6%		72,101	+11.0%	
Capacity (ASK m)	67,333	+6.5%		267,061	+8.8%	
Traffic (RPK m)	57,527	+5.8%		232,334	+13.0%	
Load factor	85.4%	-0.6pt		87.0%	3.2pt	
Total passenger revenues (€m)	5,691	+6.2%	+8.7%	23,148	+20.2%	+21.5%
Traffic passenger revenues (€m)	5,546	+6.5%	+9.2%	22,548	+20.0%	+21.4%
Unit revenue per ASK (€ cts)	8.23	0.0%	+2.6%	8.44	+10.2%	+11.6%

Fourth quarter 2023 capacity in Available Seat Kilometers (ASK) was 6.5% higher than last year and at 90% of 2019 level. Slightly lower traffic (+5.8%) than capacity growth has led to a steadiness in load factor at 85.4% (-0.6 point compared to last year) while yield continued to rise (+3% against a constant currency).

This performance had a positive impact on Unit revenue per ASK which rose by 2.6% at a constant currency.

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

North Atlantic

Q4 capacity for the region was +7.0% vs 2022 with a slightly lower load factor of -0.6pt and yield increased by 2.9% vs 2022. Overall a good performance, especially with additional capacity increasing revenues versus 2022.

Latin America

Demand remained very strong over the fourth quarter, enabling to further increase the yield by 3.9% with a high load factor at 89% against a robust 2022. Dynamic regions were Brazil and Central America.

Asia & Middle East

Capacity in the fourth quarter has significantly increased versus 2022, by 34.4% however still -26% below 2019. Growth was mainly driven by the growth in China. Yield and load factor remained stable compared to last year despite the geopolitical disruptions across the area. Middle East was impacted by side effects on Egypt and Lebanon due to cancellation on Israel. Dynamic regions over the quarter were India and South East Asia.

Caribbean & Indian Ocean

The fourth quarter continued to show capacity reductions compared to 2022 (-14.6%) due to redeployment of fleet to other long-haul areas. This lower capacity pushed the load factor up to 87% and yield improved by 12.3%.

Africa

Despite the geopolitical situation in Niger, Mali and Burkina Faso, the Group enjoyed continued strong demand resulting in a moderate growth of capacity where unit revenues kept stable. The yield showed resiliency and was up 1% above 2022 while the load factor was broadly stable (-0.7pt).

Short and Medium-haul

Capacity increased by +5.4% with different dynamics. KLM Medium Haul went up +11%, last year was relatively low due to operational issues. Air France Short and Medium Haul went moderate up by 2%. Air France reduced further its footprint in France.

Cargo: a lower unit revenue compared to 2022 due to cargo market situation

Cargo business	Fourth quarter			Full Year		
	2023	change	change constant currency	2023	change	change constant currency
Tons (thousands)	235	-0.3%		875	-6.1%	
Capacity (ATK m)	3,577	+5.0%		14,076	+6.2%	
Traffic (RTK m)	1,772	+0.9%		6,550	-4.9%	
Load factor	49.5%	-2.0pt		46.5%	-5.4pt	
Total Cargo revenues (€m)	651	-22.9%	-20.3%	2,488	-29.0%	-27.6%
Traffic Cargo revenues (€m)	510	-30.4%	-28.2%	2,012	-34.0%	-32.9%
Unit revenue per ATK (€ cts)	14.23	-33.8%	-31.8%	14.29	-37.9%	-36.8%

In the fourth quarter, unit revenue was below last year, driven by a -31% yield decrease and a 2 points lower load factor due to an increase of belly capacity. The yield is still 32% higher than 2019.

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Compared to last year, full-year revenues dropped by -22.9% although less than previous quarters. The traffic was stable year over year at 0.9% on the back of a strong demand in 2022. The load factor was 2.0 points 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 -31.8% at constant currency.

Transavia: full year load factor up by 4 points while capacity continued to increase

Transavia	Fourth quarter		Full Year	
	2023	change	2023	change
Passengers (thousands)	4,611	+2.4%	21,464	+16.9%
Capacity (ASK m)	9,692	+2.9%	42,445	+13.6%
Traffic (RPK m)	8,163	+2.3%	37,800	+18.7%
Load factor	84.2%	-0.5pt	89.1%	+3.9pt
Total Passenger revenues (€m)	536	+4.4%	2,640	+19.0%
Unit revenue per ASK (€ cts)	5.61	+3.2%	6.34	+4.6%
Unit cost per ASK (€ cts)	6.79	+2.3%	6.56	+3.8%
Operating result (€m)	-114	-1	-97	+2

The operating result of -€114 million in the fourth quarter is explained by seasonality and the geopolitical tensions in the Middle East (-€20m). Transavia's capacity increased by 2.9%, traffic increased by 2.3%, and the number of passengers increased by 2.4% resulting in a broadly stable load factor at 84.2% in the fourth quarter.

During 2023, Transavia pursued its growth to respond to the demand and satisfy customer expectations with a capacity increase of +13.6% compared to 2022. In total, the company launched 35 new routes in 2023 to various destinations in Europe and beyond from several French airports.

The forward booking load factor for the first half of 2024 is broadly stable compared to last year awhile capacity continues to grow. Transavia France restarted as per 1st of February to fly again to Israel.

Maintenance business: Strong recovery in 2023 despite supply chain issues

Maintenance	Fourth quarter			Full Year		
	2023	change	change constant currency	2023	change	change constant currency
Total revenues (€m)	1,208	+18.6%		4,242	+18.3%	
Third party revenues (€m)	521	+28.7%	+40.0%	1,712	+23.2%	+26.9%
Operating result (€m)	25	+10	+15	150	-13	-6
Operating margin (%)	2.1%	+0.6pt	+0.9pt	3.5%	-1.0pt	-0.9pt

The maintenance segment continued its growth in the fourth quarter 2023. Total revenues increased by 18.6% compared with the same quarter last year while third party revenues increased by 40.0% at constant currency, showing a very strong recovery. The operating margin stood at 2.1%, which is 0.6 point higher than in 2022.

During 2023, external revenues strongly increased by +23.2% despite the supply chain disruption and a tight labour market.

The maintenance order book was evaluated at US\$8.7 billion at December 31, 2023.

Fleet

Compared to the end of 2022 the group added three B787-10, seven A350-900, sixteen B737-800, sixteen A220-300, four Embraer 195-E2 and two Embraer 190. The Group welcomed as well its first A320 Neo and A321 Neo in December. The following aircraft left the fleet: three B737-700, three A321, two A320, six A319, three A318, three Embraer 170 and four CRJ-1000, as a result the fleet increased by twenty nine aircraft.

The Group will continue to invest in new generation aircraft in order to improve its economic performance and will decrease its CO₂ emission and reduce noise.

Strong profitability for both airlines in 2023

Air France Group

	Fourth quarter		Full Year	
	2023	change	2023	change
Revenue (in €m)	4,552	+0.3%	18,518	+13.7%
EBITDA (in €m)	390	-142	2,657	+696
Operating result (in €m)	-22	-165	1,085	+602
Operating margin (%)	-0.5%	-3.6pt	5.9%	+2.9pt

Air France full-year performance is stemming from a strong performance of long-haul resulting in an increase of revenue of +13.7%. Operating result improved substantially to €1.1 billion, which is €602 million euros higher than last year. Transformation efforts as well as strong pricing momentum bore fruits and enabled Air France to improve its operating margin by 2.9pt, compared to 2022, to 5.9% despite the geopolitical situation faced since the second half of the year.

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KLM Group

	Fourth quarter		Full Year	
	2023	change	2023	change
Revenue (in €m)	2,993	+8.5%	12,050	+12.8%
EBITDA (in €m)	227	-34	1,572	-107
Operating result (in €m)	-18	-16	650	-56
Operating margin (%)	-0.6%	-0.5pt	5.4%	-1.2pt

KLM's revenue grew by +12.8% on the back of improved operations, although not optimal yet due to supply chain, while operating margin stood at 5.4%, down -1.2pt compared to last year. KLM was operating with capacity constraints and in the fourth quarter some disruptions occurred linked to the bad weather in Amsterdam and weighted on the operating result development.

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

The audit procedures have been completed. The audit report is in the process of being issued.

The results presentation is available at www.airfranceklm.com on February 29, 2024 from 7:15 am CET.

A conference call hosted by Mr. Smith (CEO) and Mr. Zaat (CFO) will be held on February 29, 2024 at 08.30 am CET.

To connect to the webcast, please use below link:

https://channel.royalcast.com/landingpage/airfranceklm/20240229_1/

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Income statement

in € million	Fourth Quarter			Year to Date		
	2023	2022 restated *	Variation	2023	2022 restated *	Variation
Revenues from ordinary activities	7,407	7,128	4%	30,019	26,393	14%
Aircraft fuel	-1,945	-2,057	-5%	-7,305	-7,241	1%
Carbon emission	-64	-82	-22%	-203	-141	44%
Chartering costs	-142	-101	41%	-551	-387	42%
Landing fees and air routes charges	-450	-439	3%	-1,908	-1,710	12%
Catering	-211	-195	8%	-829	-720	15%
Handling charges and other operating costs	-464	-418	11%	-1,856	-1,608	15%
Aircraft maintenance costs	-718	-613	17%	-2,549	-2,256	13%
Commercial and distribution costs	-244	-246	-1%	-1,029	-887	16%
Other external expenses	-530	-412	29%	-1,909	-1,488	28%
Salaries and related costs	-2,339	-2,049	14%	-8,650	-7,289	19%
Taxes other than income taxes	-32	-38	-16%	-164	-156	5%
Other income and expenses	333	308	8%	1,142	1,105	3%
EBITDA	601	786	-24%	4,208	3,615	16%
Amortization, depreciation and provisions	-657	-652	1%	-2,496	-2,422	3%
Income from current operations	-56	134	nm	1,712	1,193	44%
Sales of aircraft equipment	-1	21	nm	32	66	-52%
Other non-current income and expenses	-79	-21	nm	-67	-65	3%
Income from operating activities	-136	134	nm	1,677	1,194	40%
Cost of financial debt	-157	-153	3%	-600	-569	5%
Income from cash & cash equivalent	77	33	133%	253	41	nm
Net cost of financial debt	-80	-120	-33%	-347	-528	-34%
Other financial income and expenses	-27	295	nm	-183	-324	-44%
Income before tax	-243	309	nm	1,147	342	nm
Income taxes	12	183	-93%	-164	390	nm
Net income of consolidated companies	-231	492	nm	983	732	nm
Share of profits (losses) of associates	-	12	nm	7	12	-42%
Net Income for the period	-231	504	nm	990	744	33%
Non-controlling interests	25	8	nm	56	16	nm
Net Income for the period - Equity holders	-256	496	nm	934	728	28%

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

Consolidated balance sheet

Assets	December 31, 2023	December 31, 2022
(in € million)		Restated *
Goodwill	224	225
Intangible assets	1,128	1,127
Flight equipment	11,501	10,614
Other property, plant and equipment	1,431	1,375
Right-of-use assets	5,956	5,428
Investments in equity associates	129	120
Pension assets	45	39
Other non-current financial assets	1,262	1,184
Non-current derivatives financial assets	148	262
Deferred tax assets	698	714
Other non-current assets	153	78
Total non-current assets	22,675	21,166
Other current financial assets	1,292	620
Current derivatives financial assets	122	327
Inventories	853	723
Trade receivables	2,152	1,785
Other current assets	1,120	979
Cash and cash equivalents	6,194	6,626
Assets held for sale	82	79
Total current assets	11,815	11,139
Total assets	34,490	32,305

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

Liabilities and equity	December 31, 2023	December 31, 2022
<i>(in € million)</i>		
Issued capital	263	2,571
Additional paid-in capital	7,560	5,217
Treasury shares	-25	-25
Perpetual	1,076	933
Reserves and retained earnings	-10,925	-11,700
Equity attributable to equity holders of Air France-KLM	-2,051	-3,004
Perpetual	2,524	510
Reserves and retained earnings	27	14
Equity attributable Non-controlling interests	2,551	524
Total equity	500	-2,480
Pension provisions	1,685	1,634
Non-current return obligation liability and other provisions	3,805	4,149
Non-current financial liabilities	7,538	9,657
Non-current lease debt	3,581	3,318
Non-current derivatives financial liabilities	56	21
Deferred tax liabilities	-	1
Other non-current liabilities	1,376	2,343
Total non-current liabilities	18,041	21,123
Current return obligation liability and other provisions	1,079	740
Current financial liabilities	1,664	896
Current lease debt	848	834
Current derivatives financial liabilities	139	83
Trade payables	2,447	2,424
Deferred revenue on ticket sales	3,858	3,725
Frequent flyer programs	899	900
Other current liabilities	5,002	4,057
Bank overdrafts	13	3
Total current liabilities	15,949	13,662
Total equity and liabilities	34,490	32,305

Statement of Consolidated Cash Flows from January 1 until December 31

Period from January 1 to December 31 (in € million)	2023	2022 restated *
Net income	990	744
Amortization, depreciation and operating provisions	2,496	2,422
Financial provisions	216	145
Loss (gain) on disposals of tangible and intangible assets	-63	-92
Loss (gain) on disposals of subsidiaries and associates	-	1
Derivatives - non monetary result	-2	-4
Unrealized foreign exchange gains and losses, net	-92	151
Share of (profits) losses of associates	-7	-12
Deferred taxes	106	-436
Impairment	1	32
Other non-monetary items	-71	-204
Self-financing capacity	3,574	2,747
(Increase) / decrease in inventories	-135	-155
(Increase) / decrease in trade receivables	-330	-146
Increase / (decrease) in trade payables	-23	570
Increase / (decrease) in advanced ticket sales	128	1,092
Change in other assets and liabilities	-89	574
Change in working capital requirement	-449	1,935
Net cash flow from operating activities	3,125	4,682
Acquisition of subsidiaries, of shares in non-controlled entities	-7	-3
Proceeds on disposal of subsidiaries, of shares in non-controlled entities	-	-1
Purchase of property plant and equipment and intangible assets	-3,551	-2,798
Proceeds on disposal of property plant and equipment and intangible assets	867	880
Dividends received	3	2
Decrease (increase) in net investments, more than 3 months	-540	-59
Acquisition of warrants (1)	-12	-
Net cash flow used in investing activities	-3,240	-1,979
Increase of equity	35	1,551
Capital increase paid by shareholders and non-controlling interests	9	3
Payments to acquire treasury shares	-1	-
Issuance of perpetual	2,718	798
Repayment on perpetual	-595	-1,767
Coupon on perpetual	-92	-252
Issuance of debt	2,094	1,110
Repayment on debt	-3,324	-3,078
Payments on lease debts	-833	-861
New loans	-335	-305
Repayment on loans	129	45
Dividends paid	-90	-
Net cash flow from financing activities	-285	-2,756
Effect of exchange rate on cash and cash equivalents	-42	22
Change in cash and cash equivalents and bank overdrafts	-442	-31
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	6,181	6,623

* 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	Dec 31, 2023	Sept 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022	Jun 30, 2022	Mar 31, 2022
			restated (2)	restated ⁽¹⁾ (2)	restated (1) (2)	restated (1) (2)	restated (1) (2)	restated (1) (2)
Goodwill and intangible assets	1,352	1,331	1,339	1,351	1,352	1,350	1,361	1,363
Flight equipment	11,501	11,296	10,957	10,954	10,614	10,298	10,521	10,537
Other property, plant and equipment	1,431	1,379	1,389	1,372	1,375	1,349	1,358	1,378
Right of use assets	5,956	5,596	5,480	5,304	5,428	5,536	5,439	5,205
Investments in equity associates	129	127	121	122	120	111	108	107
Financial assets excluding marketable securities, accrued interests and financial deposits	219	191	190	169	169	164	162	158
Provisions, excluding pension, cargo litigation and restructuring	-4,346	-4,481	-4,248	-4,255	-4,347	-4,792	-4,473	-4,240
WCR ⁽³⁾	-6,981	-7,804	-8,917	-8,696	-7,213	-7,609	-8,338	-6,736
Capital employed	9,261	7,635	6,311	6,321	7,498	6,407	6,138	7,772
Average capital employed (A)		7,382				6,954		
Adjusted results from current operations		1,712				1,193		
- Dividends received		-1				-1		
- Share of profits (losses) of associates		7				12		
- Normative income tax		-444				-311		
Adjusted result from current operations after tax (B)		1,274				893		
ROCE, trailing 12 months (B/A)		17.3%				12.8%		

(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)	December 31, 2023	December 31, 2022
Current and non-current financial liabilities	9,202	10,553
Current and non-current lease debt	4,429	4,152
Accrued interest	-138	-127
Deposits related to financial liabilities	-107	-101
Deposits related to lease debt	-100	-99
Derivatives impact on debt	-1	-35
Gross financial liabilities (I)	13,285	14,343
Cash and cash equivalent	6,194	6,626
Marketable securities > 3 months	1,097	572
Bonds	966	811
Bank overdrafts	-13	-3
Net cash (II)	8,244	8,006
Net debt (I-II)	5,041	6,337

Adjusted operating free cash flow

(in € million)	Fourth Quarter		Year to Date	
	2023	2022 restated *	2023	2022 restated *
Net cash flow from operating activities	-310	206	3,125	4,682
Purchase of property plant and equipment and intangible assets	-1,271	-750	-3,551	-2,798
Proceeds on disposal of property plant and equipment and intangible assets	591	202	867	880
Operating free cash flow	-990	-342	441	2,764
Payments on lease debts	-208	-208	-833	-861
Operating free cash flow adjusted	-1,198	-550	-392	1,903

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

Bridge from EBITDA to Self-financing capacity

(in € million)	Fourth Quarter		Year to Date	
	2023	2022 restated *	2023	2022 restated *
EBITDA	601	786	4,208	3,615
Provisions (risk and other)	-1	-1	-11	-16
Correction of spare parts inventory	-	-5	1	-1
Addition to pension provisions	44	28	153	125
Reversal to pension provisions (cash-out)	-48	-50	-98	-100
Payment linked with shares	33	-	33	1
Sales of tangible and intangible assets (excluding aeronauticals)	8	-1	4	-3
Income from operating activities - cash impact	637	757	4,290	3,621
Restructuring costs	-20	-58	-112	-233
Other non-current income and expenses	-3	-	-7	-7
Cost of financial liability	-159	-153	-710	-582
Financial income	72	28	231	25
Realized foreign exchanges gain/loss	1	-11	37	-22
Settlement of forwards derivatives - cash	-	-	-3	-
Other financial charges & expenses - cash	-82	-	-97	-11
Current income tax	34	-20	-64	-46
Other elements	6	1	9	2
Self-financing capacity	486	544	3,574	2,747

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

Unit cost: net cost per ASK

	Fourth Quarter		Year to date	
	2023	2022	2023	2022
Total operating expenses (in €m)	7,463	6,994	28,305	25,198
Total other revenues (in €m)	-807	-673	-2,768	-2,284
Net cost (in €m)	6,656	6,320	25,537	22,913
Capacity produced, reported in ASK	77,024	72,632	309,505	282,761
Net cost per ASK (in € cents per ASK)	8.64	8.70	8.25	8.10
Gross change		-0.7%		1.8%
Currency effect on net costs (in €m)		-129		-245
Change at constant currency		1.4%		2.9%
Fuel price effect (in €m)		-130		-388
Net cost per ASK on a constant currency and constant fuel price (in € cents per ASK)	8.64	8.35	8.25	7.88
Change at constant currency and constant fuel price		3.5%		4.7%
Furlough		+4		+269
	8.64	8.35	8.25	7.97
Change at constant currency and constant fuel price excluding furlough		3.5%		3.5%

Group fleet at 31 December 2023

Aircraft type	AF (incl. HOP) ²	KL (incl. KLC & MP) ¹	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			3		1	4		
A350-900	27			3	10	14	27	26	6
A330-300		5				5	5	5	
A330-200	15	6		11		10	21	21	
Total Long-Haul	117	65	0	71	41	70	182	177	9
B737-900		5		5			5	5	
B737-800		31	111	35	8	99	142	141	16
B737-700		6	4	7		3	10	10	
A321NEO			1			1	1	1	1
A321	15			8		7	15	15	-3
A320NEO			1			1	1		
A320	37			4	3	30	37	37	-2
A319	13			9		4	13	13	-4
A318	6			4		2	6	6	-3
A220-300	32			22		10	32	32	17
Total Medium-Haul	103	42	117	94	11	157	262	260	22
Canadair Jet 1000	2			2			2		
Embraer 195 E2		18				18	18	18	4
Embraer 190	21	30		17	4	30	51	50	1
Embraer 175		17		3	14		17	17	
Embraer 170	13			10		3	13	13	
Total Regional	36	65	0	32	18	51	101	98	5
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	258	176	117	201	70	280	551	541	36

² Excluding Transavia

2023 TRAFFIC

Passenger network activity

Total network airlines	Fourth quarter			Year to date		
	2023	2022	variation	2023	2022	variation
Passengers carried ('000s)	17,736	16,490	8%	72,101	64,968	11%
Revenue pax-kilometers (m RPK)	57,527	54,373	6%	232,334	205,667	13%
Available seat-kilometers (m ASK)	67,333	63,216	7%	267,061	245,391	9%
Load factor (%)	85%	86%	-1pt	87%	84%	3pt
Long-haul						
Passengers carried ('000s)	6,407	6,119	5%	25,652	22,887	12%
Revenue pax-kilometers (m RPK)	47,987	45,465	6%	191,386	168,184	14%
Available seat-kilometers (m ASK)	55,654	52,138	7%	217,864	198,817	10%
Load factor (%)	86%	87%	-1pt	88%	85%	3pt
North America						
Passengers carried ('000s)	2,217	2,063	7%	9,192	8,279	11%
Revenue pax-kilometers (m RPK)	15,709	14,792	6%	65,290	59,375	10%
Available seat-kilometers (m ASK)	18,293	17,101	7%	74,667	70,608	6%
Load factor (%)	86%	86%	-1pt	87%	84%	3pt
Latin America						
Passengers carried ('000s)	850	859	-1%	3,480	3,102	12%
Revenue pax-kilometers (m RPK)	8,047	8,175	-2%	33,025	29,502	12%
Available seat-kilometers (m ASK)	9,060	9,031	0%	36,536	33,097	10%
Load factor (%)	89%	91%	-2pt	90%	89%	1pt
Asia / Middle East						
Passengers carried ('000s)	1,463	1,149	27%	5,341	3,623	47%
Revenue pax-kilometers (m RPK)	11,516	8,544	35%	41,762	26,104	60%
Available seat-kilometers (m ASK)	13,516	10,060	34%	47,924	32,913	46%
Load factor (%)	85%	85%	0pt	87%	79%	8pt
Africa						
Passengers carried ('000s)	1,020	1,040	-2%	4,144	3,870	7%
Revenue pax-kilometers (m RPK)	6,370	6,358	0%	25,548	23,170	10%
Available seat-kilometers (m ASK)	7,524	7,449	1%	29,804	27,973	7%
Load factor (%)	85%	85%	-1pt	86%	83%	3pt
Caribbean / Indian Ocean						
Passengers carried ('000s)	856	1,007	-15%	3,495	4,012	-13%
Revenue pax-kilometers (m RPK)	6,345	7,595	-16%	25,762	30,032	-14%
Available seat-kilometers (m ASK)	7,260	8,496	-15%	28,933	34,225	-15%
Load factor (%)	87%	89%	-2pt	89%	88%	1pt
Short and Medium-haul						
Passengers carried ('000s)	11,329	10,371	9%	46,450	42,081	10%
Revenue pax-kilometers (m RPK)	9,541	8,909	7%	40,948	37,483	9%
Available seat-kilometers (m ASK)	11,679	11,079	5%	49,197	46,574	6%
Load factor (%)	82%	80%	1pt	83%	80%	3pt

Transavia activity

Transavia	Fourth quarter			Year to date		
	2023	2022	variation	2023	2022	variation
Passengers carried ('000s)	4,611	4,505	2%	21,464	18,355	17%
Revenue seat-kilometers (m RSK)	8,163	7,983	2%	37,800	31,834	19%
Available seat-kilometers (m ASK)	9,692	9,416	3%	42,445	37,369	14%
Load factor (%)	84%	85%	-1pt	89%	85%	4pt

Total Group passenger activity

Total Group	Fourth quarter			Year to date		
	2023	2022	variation	2023	2022	variation
Passengers carried ('000s)	22,347	20,995	6%	93,565	83,323	12%
Revenue pax-kilometers (m RPK)	65,691	62,356	5%	270,134	237,501	14%
Available seat-kilometers (m ASK)	77,024	72,632	6%	309,505	282,761	9%
Load factor (%)	85%	86%	-1pt	87%	84%	3pt

Cargo activity

Cargo	Fourth quarter			Year to date		
	2023	2022	variation	2023	2022	variation
Revenue tonne-km (m RTK)	1,772	1,757	1%	6,550	6,889	-5%
Available tonne-km (m ATK)	3,577	3,407	5%	14,076	13,260	6%
Load factor (%)	50%	52%	-2pt	47%	52%	-5pt

Air France activity

Total Passenger network activity	Fourth quarter			Year to date		
	2023	2022	variation	2023	2022	variation
Passengers carried ('000s)	10,025	10,153	-1%	41,769	39,130	7%
Revenue pax-kilometers (m RPK)	34,581	33,137	4%	139,682	123,378	13%
Available seat-kilometers (m ASK)	40,610	38,248	6%	160,725	146,731	10%
Load factor (%)	85%	87%	-1pt	87%	84%	3pt
Long-haul						
Passengers carried ('000s)	4,026	3,824	5%	15,993	14,261	12%
Revenue pax-kilometers (m RPK)	29,496	27,671	7%	116,500	101,245	15%
Available seat-kilometers (m ASK)	34,400	31,583	9%	132,924	119,431	11%
Load factor (%)	86%	88%	-2pt	88%	85%	3pt
Short and Medium-haul						
Passengers carried ('000s)	5,999	6,328	-5%	25,777	24,868	4%
Revenue pax-kilometers (m RPK)	5,085	5,466	-7%	23,182	22,133	5%
Available seat-kilometers (m ASK)	6,210	6,665	-7%	27,801	27,300	2%
Load factor (%)	82%	82%	0pt	83%	81%	2pt
Cargo activity						
Revenue tonne-km (m RTK)	910	929	-2%	3,307	3,559	-7%
Available tonne-km (m ATK)	2,050	1,953	5%	7,989	7,497	7%
Load factor (%)	44%	48%	-3pt	41%	47%	-6pt

KLM activity

Total Passenger network activity	Fourth quarter			Year to date		
	2023	2022	variation	2023	2022	variation
Passengers carried ('000s)	7,711	6,337	22%	30,332	25,838	17%
Revenue pax-kilometers (m RPK)	22,946	21,236	8%	92,652	82,289	13%
Available seat-kilometers (m ASK)	26,722	24,968	7%	106,336	98,660	8%
Load factor (%)	86%	85%	1pt	87%	83%	4pt
Long-haul						
Passengers carried ('000s)	2,381	2,294	4%	9,659	8,626	12%
Revenue pax-kilometers (m RPK)	18,491	17,793	4%	74,885	66,939	12%
Available seat-kilometers (m ASK)	21,254	20,555	3%	84,940	79,386	7%
Load factor (%)	87%	87%	-pt	88%	84%	4pt
Short and Medium-haul						
Passengers carried ('000s)	5,330	4,043	32%	20,673	17,212	20%
Revenue pax-kilometers (m RPK)	4,456	3,443	29%	17,766	15,350	16%
Available seat-kilometers (m ASK)	5,468	4,413	24%	21,396	19,274	11%
Load factor (%)	81%	78%	3pt	83%	80%	3pt
Cargo activity						
Revenue tonne-km (m RTK)	862	828	4%	3,244	3,330	-3%
Available tonne-km (m ATK)	1,526	1,453	5%	6,087	5,762	6%
Load factor (%)	56%	57%	0pt	53%	58%	-4pt