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## DELTA REPORT

10-Q

DAL - DELTA AIR LINES, INC.

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

**TOTAL DELTAS** 1294

■ CHANGES	190
■ DELETIONS	835
■ ADDITIONS	269

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q**

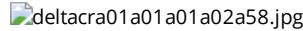
**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 30, 2023** **September 30, 2023**

Or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 001-5424

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**DELTA AIR LINES, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

**58-0218548**

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

**Post Office Box 20706**

**30320-6001**

**Atlanta, Georgia**

(Zip Code)

(Address of principal executive offices)

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer   
Smaller reporting company  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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Number of shares outstanding by each class of common stock, as of **June 30, 2023** **September 30, 2023**:

Common Stock, \$0.0001 par value **643,418,375** **643,463,433** shares outstanding

This document is also available through our website at <http://ir.delta.com/>.

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### *Forward Looking Statements*

Unless otherwise indicated or the context otherwise requires, the terms "Delta," "we," "us" and "our" refer to Delta Air Lines, Inc. and its subsidiaries.

#### **FORWARD-LOOKING STATEMENTS**

Statements in this Form 10-Q (or otherwise made by us or on our behalf) that are not historical facts, including statements about our estimates, expectations, beliefs, intentions, projections, goals, aspirations, commitments or strategies for the future, may be "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from historical experience or our present expectations. Known material risk factors applicable to Delta are described in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 ("Form 10-K"), other than risks that could apply to any issuer or offering. All forward-looking statements speak only as of the date made, and we undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this report except as required by law.

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### **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of  
Delta Air Lines, Inc.

#### **Results of Review of Interim Financial Statements**

We have reviewed the accompanying consolidated balance sheet of Delta Air Lines, Inc. (the Company) as of June 30, 2023 September 30, 2023, the related condensed consolidated statements of operations and comprehensive income/(loss) income and consolidated statements of stockholders' equity for the three-month and six-month nine-month periods ended June 30, 2023 September 30, 2023 and 2022, condensed consolidated statements of cash flows for the six-month nine-month periods ended June 30, 2023 September 30,

2023 and 2022, and the related notes (collectively referred to as the "condensed consolidated interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2022, the related consolidated statements of operations, comprehensive income/(loss), cash flows, and stockholders' equity for the year then ended, and the related notes (not presented herein); and in our report dated February 10, 2023, we expressed an unqualified audit opinion on those Consolidated Financial Statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2022, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

#### Basis for Review Results

These financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission ("SEC") and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Ernst & Young LLP

Atlanta, Georgia

July 13, October 12, 2023

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#### Financial Statements

#### DELTA AIR LINES, INC. Consolidated Balance Sheets (Unaudited)

(in millions, except share data)	December		September December			
	(in millions, except share data)	June 30, 2023	31, 2022	(in millions, except share data)	30, 2023	31, 2022
<b>ASSETS</b>						
<b>Current Assets:</b>						
Cash and cash equivalents	Cash and cash equivalents	\$ 2,668	\$ 3,266	Cash and cash equivalents	\$ 2,835	\$ 3,266
Short-term investments	Short-term investments	3,368	3,268	Short-term investments	2,170	3,268
Accounts receivable, net of allowance for uncollectible accounts of \$23 and \$23		3,122	3,176			
Fuel, expendable parts and supplies inventories, net of allowance for obsolescence of \$126 and \$136		1,438	1,424			
Accounts receivable, net of allowance for uncollectible accounts of \$17 and \$23				Accounts receivable, net of allowance for uncollectible accounts of \$17 and \$23	3,214	3,176
Fuel, expendable parts and supplies inventories, net of allowance for obsolescence of \$128 and \$136				Fuel, expendable parts and supplies inventories, net of allowance for obsolescence of \$128 and \$136	1,507	1,424

Prepaid expenses and other	Prepaid expenses and other	2,484	1,877	Prepaid expenses and other	2,529	1,877
Total current assets	Total current assets	13,080	13,011	Total current assets	12,255	13,011
<b>Noncurrent Assets:</b>	<b>Noncurrent Assets:</b>			<b>Noncurrent Assets:</b>		
Property and equipment, net of accumulated depreciation and amortization of \$20,655 and \$20,370	34,092	33,109	Property and equipment, net of accumulated depreciation and amortization of \$21,235 and \$20,370	34,593	33,109	
Operating lease right-of-use assets	Operating lease right-of-use assets	6,834	7,036	Operating lease right-of-use assets	6,962	7,036
Goodwill	Goodwill	9,753	9,753	Goodwill	9,753	9,753
Identifiable intangibles, net of accumulated amortization of \$906 and \$902		5,988	5,992	Identifiable intangibles, net of accumulated amortization of \$909 and \$902	5,985	5,992
Equity investments	Equity investments	2,389	2,128	Equity investments	2,291	2,128
Other noncurrent assets	Other noncurrent assets	1,361	1,259	Other noncurrent assets	1,408	1,259
Total noncurrent assets	Total noncurrent assets	60,417	59,277	Total noncurrent assets	60,992	59,277
Total assets	Total assets	\$ 73,497	\$ 72,288	Total assets	\$ 73,247	\$ 72,288

#### LIABILITIES AND STOCKHOLDERS' EQUITY

<b>Current Liabilities:</b>	<b>Current Liabilities:</b>	<b>Current Liabilities:</b>				
Current maturities of debt and finance leases	Current maturities of debt and finance leases	\$ 2,065	\$ 2,359	Current maturities of debt and finance leases	\$ 1,981	\$ 2,359
Current maturities of operating leases	Current maturities of operating leases	699	714	Current maturities of operating leases	728	714
Air traffic liability	Air traffic liability	10,422	8,160	Air traffic liability	8,738	8,160
Accounts payable	Accounts payable	5,114	5,106	Accounts payable	5,320	5,106
Accrued salaries and related benefits	Accrued salaries and related benefits	3,340	3,288	Accrued salaries and related benefits	4,003	3,288
Loyalty program deferred revenue	Loyalty program deferred revenue	3,824	3,434	Loyalty program deferred revenue	3,917	3,434
Fuel card obligation	Fuel card obligation	1,100	1,100	Fuel card obligation	1,100	1,100
Other accrued liabilities	Other accrued liabilities	1,918	1,779	Other accrued liabilities	1,769	1,779
Total current liabilities	Total current liabilities	28,482	25,940	Total current liabilities	27,556	25,940

Noncurrent Liabilities:	Noncurrent Liabilities:	Noncurrent Liabilities:		
Debt and finance leases	Debt and finance leases	18,140	20,671	Debt and finance leases
Pension, postretirement and related benefits	Pension, postretirement and related benefits	3,669	3,707	Pension, postretirement and related benefits
Loyalty program deferred revenue	Loyalty program deferred revenue	4,443	4,448	Loyalty program deferred revenue
Noncurrent operating leases	Noncurrent operating leases	6,646	6,866	Noncurrent operating leases
Other noncurrent liabilities	Other noncurrent liabilities	4,017	4,074	Other noncurrent liabilities
Total noncurrent liabilities	Total noncurrent liabilities	36,915	39,766	Total noncurrent liabilities
<b>Commitments and Contingencies</b>	<b>Commitments and Contingencies</b>			<b>Commitments and Contingencies</b>
<b>Stockholders' Equity:</b>	<b>Stockholders' Equity:</b>			<b>Stockholders' Equity:</b>
Common stock at \$0.0001 par value; 1,500,000,000 shares authorized, 654,572,361 and 651,800,786 shares issued	—	—		
Common stock at \$0.0001 par value; 1,500,000,000 shares authorized, 654,674,447 and 651,800,786 shares issued			Common stock at \$0.0001 par value; 1,500,000,000 shares authorized, 654,674,447 and 651,800,786 shares issued	—
Additional paid-in capital	Additional paid-in capital	11,578	11,526	Additional paid-in capital
Retained earnings	Retained earnings	2,569	1,170	Retained earnings
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(5,709)	(5,801)	Accumulated other comprehensive loss
Treasury stock, at cost, 11,153,986 and 10,535,033 shares	(338)	(313)	Treasury stock, at cost, 11,211,014 and 10,535,033 shares	(340)
Treasury stock, at cost, 11,211,014 and 10,535,033 shares			Treasury stock, at cost, 11,211,014 and 10,535,033 shares	(313)
Total stockholders' equity	Total stockholders' equity	8,100	6,582	Total stockholders' equity
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$ 73,497	\$ 72,288	Total liabilities and stockholders' equity

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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**DELTA AIR LINES, INC.**  
**Condensed Consolidated Statements of Operations and Comprehensive Income/(Loss) Income**  
**(Unaudited)**

(in millions, except per share data)	(in millions, except per share data)	Three Months Ended June 30,				Six Months Ended June 30,				Three Months Ended September 30,				Nine Months Ended September 30,				
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
		<b>Operating Revenue:</b>																
Passenger	Passenger	\$13,205	\$10,958	\$23,616	\$17,865	Passenger	\$13,119	\$11,464	\$36,735	\$29,329								
Cargo	Cargo	172	272	381	561	Cargo	154	240	535	801								
Other	Other	2,201	2,594	4,340	4,747	Other	2,215	2,271	6,555	7,017								
Total operating revenue	Total operating revenue	15,578	13,824	28,337	23,173	Total operating revenue	15,488	13,975	43,825	37,147								
<b>Operating Expense:</b>	<b>Operating Expense:</b>						<b>Operating Expense:</b>											
Salaries and related costs	Salaries and related costs	3,692	2,955	7,078	5,782	Salaries and related costs	3,760	3,050	10,838	8,832								
Aircraft fuel and related taxes	Aircraft fuel and related taxes	2,516	3,223	5,192	5,315	Aircraft fuel and related taxes	2,936	3,318	8,128	8,633								
Ancillary businesses and refinery	Ancillary businesses and refinery	1,173	1,718	2,298	3,100	Ancillary businesses and refinery	1,128	1,349	3,427	4,449								
Contracted services	Contracted services	994	791	2,004	1,544	Contracted services	1,004	881	3,009	2,425								
Landing fees and other rents	Landing fees and other rents	617	546	1,201	1,050	Landing fees and other rents	679	562	1,880	1,611								
Aircraft maintenance materials and outside repairs	Aircraft maintenance materials and outside repairs	614	522	1,199	988	Aircraft maintenance materials and outside repairs	661	487	1,860	1,474								
Passenger commissions and other selling expenses	Passenger commissions and other selling expenses	651	526	1,152	838	Passenger commissions and other selling expenses	618	546	1,770	1,385								
Depreciation and amortization	Depreciation and amortization	573	510	1,137	1,016	Depreciation and amortization	594	538	1,731	1,554								
Regional carrier expense	Regional carrier expense	559	528	1,117	1,018	Regional carrier expense	546	528	1,664	1,547								
Pilot agreement and related expenses		—	—	864	—	Pilot agreement and related expenses	—	—	864	—								
Passenger service	Passenger service	442	369	859	644	Passenger service	449	406	1,307	1,050								
Profit sharing	Profit sharing	595	54	667	54	Profit sharing	417	237	1,084	291								
Pilot agreement and related expenses						Pilot agreement and related expenses												
Aircraft rent	Aircraft rent	132	127	264	249	Aircraft rent	131	131	395	380								
Other	Other	529	436	1,090	840	Other	581	486	1,669	1,325								
Total operating expense	Total operating expense	13,087	12,305	26,122	22,438	Total operating expense	13,504	12,519	39,626	34,956								
<b>Operating Income</b>	<b>Operating Income</b>		2,491	1,519	2,215	735	<b>Operating Income</b>	1,984	1,456	4,199	2,191							

Non-Operating Expense:	Non-Operating Expense:				Non-Operating Expense:					
Interest expense, net	Interest expense, net	(203)	(269)	(430)	(543)	Interest expense, net	(196)	(248)	(627)	(791)
Gain/(loss) on investments, net	Gain/(loss) on investments, net	128	(221)	251	(368)	Gain/(loss) on investments, net	(206)	(245)	45	(613)
Loss on extinguishment of debt	Loss on extinguishment of debt	(29)	(41)	(50)	(66)	Loss on extinguishment of debt	(13)	(34)	(63)	(100)
Pension and related (expense)/benefit	Pension and related (expense)/benefit	(61)	73	(122)	145	Pension and related (expense)/benefit	(61)	73	(183)	218
Miscellaneous, net	Miscellaneous, net	(9)	(28)	(52)	(70)	Miscellaneous, net	13	(40)	(38)	(111)
Total non-operating expense, net	Total non-operating expense, net	(174)	(486)	(403)	(902)	Total non-operating expense, net	(463)	(494)	(866)	(1,397)
<b>Income/(Loss) Before Income Taxes</b>	<b>2,317</b>	<b>1,033</b>	<b>1,812</b>	<b>(167)</b>						
<b>Income Before Income Taxes</b>					<b>Income Before Income Taxes</b>	<b>1,521</b>	<b>962</b>	<b>3,333</b>	<b>794</b>	
<b>Income Tax Provision</b>	<b>Income Tax Provision</b>				<b>Income Tax Provision</b>					
<b>Net Income/(Loss)</b>		<b>\$ 1,827</b>	<b>\$ 735</b>	<b>\$ 1,464</b>	<b>\$ (205)</b>					
<b>Net Income</b>				<b>Net Income</b>		<b>\$ 1,108</b>	<b>\$ 695</b>	<b>\$ 2,572</b>	<b>\$ 489</b>	
<b>Basic Earnings/(Loss) Per Share</b>		<b>\$ 2.86</b>	<b>\$ 1.15</b>	<b>\$ 2.29</b>	<b>\$ (0.32)</b>					
<b>Diluted Earnings/(Loss) Per Share</b>		<b>\$ 2.84</b>	<b>\$ 1.15</b>	<b>\$ 2.28</b>	<b>\$ (0.32)</b>					
<b>Basic Earnings Per Share</b>				<b>Basic Earnings Per Share</b>		<b>\$ 1.73</b>	<b>\$ 1.09</b>	<b>\$ 4.03</b>	<b>\$ 0.77</b>	
<b>Diluted Earnings Per Share</b>				<b>Diluted Earnings Per Share</b>		<b>\$ 1.72</b>	<b>\$ 1.08</b>	<b>\$ 4.00</b>	<b>\$ 0.76</b>	
<b>Comprehensive Income/(Loss)</b>		<b>\$ 1,872</b>	<b>\$ 798</b>	<b>\$ 1,556</b>	<b>\$ (83)</b>					
<b>Comprehensive Income</b>				<b>Comprehensive Income</b>		<b>\$ 1,157</b>	<b>\$ 757</b>	<b>\$ 2,713</b>	<b>\$ 673</b>	

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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#### Financial Statements

**DELTA AIR LINES, INC.**  
**Condensed Consolidated Statements of Cash Flows**  
**(Unaudited)**

(in millions)	(in millions)	Six Months Ended June 30,		Nine Months Ended September 30,		
		2023	2022	(in millions)	2023	2022
<b>Net Cash Provided by Operating Activities</b>	<b>Net Cash Provided by Operating Activities</b>			<b>Net Cash Provided by Operating Activities</b>		
Cash Flows from Investing Activities:	Cash Flows from Investing Activities:	\$ 4,843	\$ 4,306	\$ 5,919	\$ 5,175	

Property and equipment additions:	Property and equipment additions:	Property and equipment additions:
Flight equipment, including advance payments	Flight equipment, including advance payments	Flight equipment, including advance payments
Ground property and equipment, including technology	Ground property and equipment, including technology	Ground property and equipment, including technology
Purchase of short-term investments	Purchase of short-term investments	Purchase of short-term investments
Redemption of short-term investments	Redemption of short-term investments	Redemption of short-term investments
Purchase of equity investments	—	(100)
Acquisition of strategic investments		Acquisition of strategic investments
Other, net	Other, net 20 108	Other, net 84 121
Net cash used in investing activities	Net cash used in investing activities	Net cash used in investing activities
<b>Cash Flows from Financing Activities:</b>	<b>Cash Flows from Financing Activities:</b>	<b>Cash Flows from Financing Activities:</b>
Payments on debt and finance lease obligations	Payments on debt and finance lease obligations	Payments on debt and finance lease obligations
Cash dividends		Cash dividends
Other, net	Other, net (24) (27)	Other, net (36) (40)
Net cash used in financing activities	Net cash used in financing activities	Net cash used in financing activities
<b>Net (Decrease)/Increase in Cash, Cash Equivalents and Restricted Cash Equivalents</b>	<b>Net Decrease in Cash, Cash Equivalents and Restricted Cash Equivalents</b>	<b>Net Decrease in Cash, Cash Equivalents and Restricted Cash Equivalents</b>
<b>Net Decrease in Cash, Cash Equivalents and Restricted Cash Equivalents</b>		<b>Net Decrease in Cash, Cash Equivalents and Restricted Cash Equivalents</b>

Cash, cash equivalents and restricted cash equivalents at beginning of period	Cash, cash equivalents and restricted cash equivalents at beginning of period	3,473	8,569	period	3,473	8,569
Cash, cash equivalents and restricted cash equivalents at end of period	Cash, cash equivalents and restricted cash equivalents at end of period	\$ 2,824	\$ 9,552	end of period	\$ 2,969	\$ 7,325
<b>Non-Cash Transactions:</b>						
<b>Right-of-use assets acquired under operating leases</b>						
Right-of-use assets acquired under operating leases	Right-of-use assets acquired under operating leases	\$ 144	\$ 324	leases	\$ 443	\$ 372
Flight and ground equipment acquired under finance leases	Flight and ground equipment acquired under finance leases	36	81	leases	37	84
Operating leases converted to finance leases	Operating leases converted to finance leases	43	140	finance leases	53	279
Equity investments and other financings	Equity investments and other financings	—	330	financings	—	330

The following table provides a reconciliation of cash, cash equivalents and restricted cash equivalents reported within the Consolidated Balance Sheets to the total of the same such amounts shown above:

(in millions)		June 30,		September 30,	
		(in millions)	2023	(in millions)	2023
<b>Current assets:</b>					
Cash and cash equivalents	Cash and cash equivalents	\$ 2,668	\$ 9,221	Cash and cash equivalents	\$ 2,835
Restricted cash included in prepaid expenses and other	Restricted cash included in prepaid expenses and other	156	154	Restricted cash included in prepaid expenses and other	134
Noncurrent assets:	Noncurrent assets:			Noncurrent assets:	
Restricted cash included in other noncurrent assets	Restricted cash included in other noncurrent assets	—	177	Restricted cash included in other noncurrent assets	—
					153

Total cash, cash equivalents and restricted cash equivalents	Total cash, cash equivalents and restricted cash equivalents	Total cash, cash equivalents and restricted cash equivalents
	\$2,824	\$9,552

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

*Financial Statements*

**DELTA AIR LINES, INC.**  
**Consolidated Statements of Stockholders' Equity**  
**(Unaudited)**

(in millions, except per share data)	Common Stock						Accumulated Other			Treasury Stock						(in millions, except per share data)	Common Stock						Accumulated Other			Treasury Stock					
	(in millions, except per share data)		Shares	Amount	Additional Paid-In Capital		Retained Earnings	Loss	Shares		Amount	Total	(in millions, except per share data)		Shares	Amount	Additional Capital		Retained Earnings	Loss	Shares		Amount	Total							
Balance at December 31, 2022	Balance at December 31, 2022	652	\$ —	\$ 11,526	\$ 1,170	\$ (5,801)	11	\$ (313)	\$ 6,582	652	\$ —	\$ 11,526	\$ 1,170	\$ (5,801)	11	\$ (313)	\$ 6,582	652	\$ —	\$ 11,526	\$ 1,170	\$ (5,801)	11	\$ (313)	\$ 6,582						
Net loss	Net loss	—	—	—	(363)	—	—	—	(363)	Net loss	—	—	—	(363)	—	—	—	(363)	—	—	—	(363)	—	—	—	(363)					
Other comprehensive income	Other comprehensive income	—	—	—	—	47	—	—	47	Other comprehensive income	—	—	—	—	—	—	—	47	—	—	—	47	—	—	—	47					
Common stock issued for employee equity awards <sup>(1)</sup>	Common stock issued for employee equity awards <sup>(1)</sup>	2	—	18	—	—	—	(24)	(6)	Common stock issued for employee equity awards <sup>(1)</sup>	2	—	18	—	—	—	—	(24)	(6)	Common stock issued for employee equity awards <sup>(1)</sup>	2	—	18	—	—	—					
Balance at March 31, 2023	Balance at March 31, 2023	654	\$ —	\$ 11,544	\$ 807	\$ (5,754)	11	\$ (337)	\$ 6,260	Balance at March 31, 2023	654	\$ —	\$ 11,544	\$ 807	\$ (5,754)	11	\$ (337)	\$ 6,260	654	\$ —	\$ 11,544	\$ 807	\$ (5,754)	11	\$ (337)	\$ 6,260					
Net income	Net income	—	—	—	1,827	—	—	—	1,827	Net income	—	—	—	1,827	—	—	—	1,827	—	—	—	1,827	—	—	—	1,827					
Dividends declared	Dividends declared	—	—	—	(65)	—	—	—	(65)	Dividends declared (\$0.10 per share)	—	—	—	(65)	—	—	—	(65)	—	—	—	(65)	—	—	—	(65)					
Other comprehensive income	Other comprehensive income	—	—	—	—	45	—	—	45	Other comprehensive income	—	—	—	—	—	—	—	45	—	—	—	45	—	—	—	45					
Common stock issued for employee equity awards <sup>(1)</sup>	Common stock issued for employee equity awards <sup>(1)</sup>	1	—	34	—	—	—	(1)	33	Common stock issued for employee equity awards <sup>(1)</sup>	1	—	34	—	—	—	—	(1)	33	Common stock issued for employee equity awards <sup>(1)</sup>	1	—	34	—	—	—					
Balance at June 30, 2023	Balance at June 30, 2023	655	\$ —	\$ 11,578	\$ 2,569	\$ (5,709)	11	\$ (338)	\$ 8,100	Balance at June 30, 2023	655	\$ —	\$ 11,578	\$ 2,569	\$ (5,709)	11	\$ (338)	\$ 8,100	655	\$ —	\$ 11,578	\$ 2,569	\$ (5,709)	11	\$ (338)	\$ 8,100					
Net income	Net income	—	—	—	—	—	—	—	—	Net income	—	—	—	1,108	—	—	—	1,108	—	—	—	1,108	—	—	—	1,108					
Dividends declared (\$0.10 per share)	Dividends declared (\$0.10 per share)	—	—	—	—	—	—	—	—	Dividends declared (\$0.10 per share)	—	—	—	(64)	—	—	—	(64)	—	—	—	(64)	—	—	—	(64)					
Other comprehensive income	Other comprehensive income	—	—	—	—	—	—	—	—	Other comprehensive income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—					
Common stock issued for employee equity awards <sup>(1)</sup>	Common stock issued for employee equity awards <sup>(1)</sup>	—	—	—	—	35	—	—	—	Common stock issued for employee equity awards <sup>(1)</sup>	—	—	35	—	—	—	—	—	—	—	—	—	—	—	—	—					

Balance at September 30, 2023	Balance at September 30, 2023
	655 \$ — \$ 11,613 \$ 3,613 \$ (5,660) 11 \$ (340) \$ 9,226

(i) Treasury shares were withheld for payment of taxes, at a weighted average price per share of \$39.73, \$36.76 and \$36.76 \$45.34 in the March 2023 quarter, June 2023 quarter and June September 2023 quarter, respectively.

(in millions, except per share data)	Common Stock						Accumulated Additional Other Treasury Stock						Common Stock						Accumulated Additional Retained Other Treasury Stock					
	Paid-In Capital		Accumulated Deficit		Comprehensive Loss		Shares Amount		Total		Paid-In Capital		Earnings/(Accumulated Deficit)		Loss		Shares Amount		Total					
	per share data)	Shares	Amount	Capital	Deficit	Loss	Shares	Amount	Total	per share data)	Shares	Amount	Capital	Deficit	Loss	Shares	Amount	Total						
Balance at December 31, 2021	Balance at December 31, 2021	650	\$ —	\$ 11,447	\$ (148)	\$ (7,130)	10	\$ (282)	\$ 3,887	Balance at December 31, 2021	650	\$ —	\$ 11,447	\$ (148)	\$ (7,130)	10	\$ (282)	\$ 3,887						
Net loss	Net loss	—	—	—	(940)	—	—	—	(940)	Net loss	—	—	—	(940)	—	—	—	(940)						
Other comprehensive income	Other comprehensive income	—	—	—	—	59	—	—	59	Other comprehensive income	—	—	—	—	—	59	—	—	59					
Common stock issued for employee equity awards <sup>(1)</sup>	Common stock issued for employee equity awards <sup>(1)</sup>	2	—	15	—	—	1	(30)	(15)	Common stock issued for employee equity awards <sup>(1)</sup>	2	—	15	—	—	1	(30)	(15)						
Balance at March 31, 2022	Balance at March 31, 2022	652	\$ —	\$ 11,462	\$ (1,088)	\$ (7,071)	11	\$ (312)	\$ 2,991	Balance at March 31, 2022	652	\$ —	\$ 11,462	\$ (1,088)	\$ (7,071)	11	\$ (312)	\$ 2,991						
Net income	Net income	—	—	—	735	—	—	—	735	Net income	—	—	—	735	—	—	—	735						
Other comprehensive income	Other comprehensive income	—	—	—	—	63	—	—	63	Other comprehensive income	—	—	—	—	—	63	—	—	63					
Common stock issued for employee equity awards <sup>(1)</sup>	Common stock issued for employee equity awards <sup>(1)</sup>	—	—	23	—	—	—	(1)	22	Common stock issued for employee equity awards <sup>(1)</sup>	—	—	23	—	—	—	—	(1)	22					
Balance at June 30, 2022	Balance at June 30, 2022	652	\$ —	\$ 11,485	\$ (353)	\$ (7,008)	11	\$ (313)	\$ 3,811	Balance at June 30, 2022	652	\$ —	\$ 11,485	\$ (353)	\$ (7,008)	11	\$ (313)	\$ 3,811						
Net income	Net income	—	—	—	—	—	—	—	—	Net income	—	—	—	695	—	—	—	695						
Other comprehensive income	Other comprehensive income	—	—	—	—	—	—	—	—	Other comprehensive income	—	—	—	—	—	62	—	—	62					
Common stock issued for employee equity awards <sup>(1)</sup>	Common stock issued for employee equity awards <sup>(1)</sup>	—	—	—	—	—	—	—	—	Common stock issued for employee equity awards <sup>(1)</sup>	—	—	22	—	—	—	—	—	22					
Balance at September 30, 2022	Balance at September 30, 2022	652	\$ —	\$ 11,507	\$ 342	\$ (6,946)	11	\$ (313)	\$ 4,590	Balance at September 30, 2022	652	\$ —	\$ 11,507	\$ 342	\$ (6,946)	11	\$ (313)	\$ 4,590						

(i) Treasury shares were withheld for payment of taxes, at a weighted average price per share of \$41.00, \$38.11 and \$38.11 \$30.66 in the March 2022 quarter, June 2022 quarter and June September 2022 quarter, respectively.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

**Notes to the Condensed Consolidated Financial Statements**  
(Unaudited)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of Delta Air Lines, Inc. and our consolidated subsidiaries, and have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information. Consistent with these requirements, this Form 10-Q does not include all the information required by GAAP for complete financial statements. As a result, this Form 10-Q should be read in conjunction with the Consolidated Financial Statements and accompanying Notes in our Form 10-K for the year ended December 31, 2022.

Management believes the accompanying unaudited Condensed Consolidated Financial Statements reflect all adjustments, including normal recurring items, considered necessary for a fair statement of results for the interim periods presented.

Due to seasonal variations in the demand for air travel, the volatility of aircraft fuel prices and other factors, operating results for the three and **six** nine months ended **June 30, 2023** **September 30, 2023** are not necessarily indicative of operating results for the entire year.

We reclassified certain prior period amounts to conform to the current period presentation. Unless otherwise noted, all amounts disclosed are stated before consideration of income taxes.

**NOTE 2. REVENUE RECOGNITION**

***Passenger Revenue***

(in millions)	(in millions)	Three Months Ended June 30,		Six Months Ended June 30,		(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
Ticket	Ticket	\$ 11,829	\$ 9,773	\$ 21,068	\$ 15,759	Ticket	\$ 11,733	\$ 10,247	\$ 32,801	\$ 26,005
Loyalty travel awards	Loyalty travel awards	902	744	1,645	1,287	Loyalty travel awards	902	786	2,547	2,073
Travel-related services	Travel-related services	474	441	903	819	Travel-related services	484	431	1,387	1,251
Passenger revenue	Passenger revenue	\$ 13,205	\$ 10,958	\$ 23,616	\$ 17,865	Passenger revenue	\$ 13,119	\$ 11,464	\$ 36,735	\$ 29,329

***Ticket***

We recognized approximately **\$5.7** **\$6.7** billion and **\$3.3 billion** **\$3.9 billion** in passenger revenue during the **six** nine months ended **June 30, 2023** **September 30, 2023** and 2022, respectively, that had been recorded in our air traffic liability balance at the beginning of those periods.

As of **June 30, 2023** **September 30, 2023**, all of our air traffic liability was recorded as a current liability. As of December 31, 2022, our air traffic liability was \$8.3 billion, of which \$100 million was included in other noncurrent liabilities on our Consolidated Balance Sheet ("balance sheet").

***Loyalty Travel Awards***

Our SkyMiles loyalty program allows customers to earn mileage credits ("miles") by flying on Delta, Delta Connection and other airlines that participate in the loyalty program. Loyalty travel awards revenue is related to the redemption of miles for air travel. Customers can also earn miles through participating companies, such as credit card companies, hotels, car rental agencies and ridesharing companies, who purchase miles from us. Our most significant contract to sell miles relates to our co-brand credit card relationship with American Express. During the **six** nine months ended **June 30, 2023** **September 30, 2023** and 2022, total cash sales from marketing agreements related to our loyalty program were **\$3.4** **\$5.2** billion and **\$2.6** **\$4.1** billion, respectively, which are allocated to travel and other performance obligations.

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***Notes to the Condensed Consolidated Financial Statements***

***Current Activity of the Loyalty Program.*** Miles are combined in one homogeneous pool and are not separately identifiable. Therefore, revenue is comprised of miles that were part of the loyalty program deferred revenue balance at the beginning of the period as well as miles that were issued during the period. The timing of mile redemptions can vary widely; however, the majority of miles have historically been redeemed within two years of being earned.

The table below presents the activity of the current and noncurrent loyalty program deferred revenue and includes miles earned through travel and miles sold to participating companies, which are primarily through marketing agreements.

Loyalty program activity							
	(in millions)	2023	2022	(in millions)	2023	2022	
Balance at	Balance at			Balance at			
January 1	January 1	\$7,882	\$7,559	January 1	\$7,882	\$7,559	
Miles earned	Miles earned	2,110	1,558	Miles earned	3,164	2,496	
Miles redeemed for air travel	Miles redeemed for air travel	(1,645)	(1,287)	Miles redeemed for air travel	(2,547)	(2,073)	
Miles redeemed for non-air travel and other	Miles redeemed for non-air travel and other	(80)	(73)	Miles redeemed for non-air travel and other	(126)	(122)	
Balance at June 30	\$8,267	\$7,757					
Balance at September 30				Balance at September 30			
				\$8,373	\$7,860		

#### Travel-Related Services

Travel-related services are primarily composed of services performed in conjunction with a passenger's flight and include baggage fees, administrative fees, and on-board sales.

#### Other Revenue

(in millions)	(in millions)	Three Months Ended June 30,		Six Months Ended June 30,		(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
Refinery	Refinery	\$ 965	\$ 1,514	\$ 1,882	\$ 2,700	Refinery	\$ 935	\$ 1,134	\$ 2,817	\$ 3,835
Loyalty program	Loyalty program	774	650	1,500	1,221	Loyalty program	791	655	2,291	1,877
Ancillary businesses	Ancillary businesses	214	206	445	416	Ancillary businesses	212	249	657	665
Miscellaneous	Miscellaneous	248	224	513	410	Miscellaneous	277	233	790	640
Other revenue	Other revenue	\$ 2,201	\$ 2,594	\$ 4,340	\$ 4,747	Other revenue	\$ 2,215	\$ 2,271	\$ 6,555	\$ 7,017

*Refinery.* This represents refinery sales to third parties. See Note 9, "Segments," for more information on revenue recognition within our refinery segment.

*Loyalty Program.* Loyalty program revenue relates to brand usage by third parties and other performance obligations embedded in miles sold, including redemption of miles for non-air travel and other awards. These revenues are mainly derived from the total cash sales from marketing agreements, discussed above.

*Ancillary Businesses.* Ancillary businesses revenue represents revenues from aircraft maintenance services we provide to third parties and our vacation wholesale operations.

*Miscellaneous.* Miscellaneous is primarily composed of revenues related to Delta Sky Club lounge access, including access provided to certain American Express cardholders, and codeshare agreements.

#### Revenue by Geographic Region

Operating revenue for the airline segment is recognized in a specific geographic region based on the origin, flight path and destination of each flight segment. A significant portion of the refinery segment's revenues typically consists of fuel sales to support the airline, which is eliminated in the Condensed Consolidated Financial Statements. The remaining operating revenue for the refinery segment is included in the domestic region. Our passenger and operating revenue by geographic region is summarized in the following tables:

#### Passenger revenue by geographic region

(in millions)	(in millions)	Passenger Revenue				Passenger Revenue				
		Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,		
		2023	2022	2023	2022	2023	2022	2023	2022	
Domestic	Domestic	\$ 8,944	\$ 8,318	\$ 16,538	\$ 13,881	Domestic	\$ 8,662	\$ 8,154	\$ 25,200	\$ 22,035
Atlantic	Atlantic	2,803	1,701	4,047	2,240	Atlantic	3,110	2,313	7,157	4,553
Latin America	Latin America	926	745	2,058	1,425	America	788	659	2,846	2,084
Pacific	Pacific	532	194	973	319	Pacific	559	338	1,532	657
Total	Total	\$ 13,205	\$ 10,958	\$ 23,616	\$ 17,865	Total	\$ 13,119	\$ 11,464	\$ 36,735	\$ 29,329

#### Operating revenue by geographic region

(in millions)	(in millions)	Operating Revenue				Operating Revenue				
		Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,		
		2023	2022	2023	2022	2023	2022	2023	2022	
Domestic	Domestic	\$ 10,749	\$ 10,655	\$ 20,145	\$ 18,204	Domestic	\$ 10,461	\$ 10,118	\$ 30,607	\$ 28,322
Atlantic	Atlantic	3,178	2,057	4,726	2,833	Atlantic	3,497	2,705	8,223	5,538
Latin America	Latin America	1,037	854	2,317	1,665	America	891	752	3,208	2,417
Pacific	Pacific	614	258	1,149	471	Pacific	639	400	1,787	870
Total	Total	\$ 15,578	\$ 13,824	\$ 28,337	\$ 23,173	Total	\$ 15,488	\$ 13,975	\$ 43,825	\$ 37,147

#### NOTE 3. FAIR VALUE MEASUREMENTS

##### Assets/(Liabilities) Measured at Fair Value on a Recurring Basis

(in millions)	(in millions)	June 30,			September 30,			(in millions)	2023	Level 1	Level 2	Level 3
		2023	Level 1	Level 2	Level 3							
Cash equivalents	Cash equivalents	\$ 1,339	\$ 1,339	\$ 1,339	\$ —			Cash equivalents	\$ 1,854	\$ 1,854	\$ —	\$ —
Restricted cash equivalents	Restricted cash equivalents	156	156	—	—			Restricted cash equivalents	134	134	—	—
Short-term investments	Short-term investments							Short-term investments				
U.S. Government securities	U.S. Government securities	1,498	205	1,293	—			U.S. Government securities	1,162	239	923	—
Corporate obligations	Corporate obligations	1,643	—	1,643	—			Corporate obligations	857	—	857	—
Asset-backed securities	Asset-backed securities	120	—	120	—			Asset-backed securities	86	—	86	—
Other fixed income securities	Other fixed income securities	107	—	107	—			Other fixed income securities	65	—	65	—
Long-term investments		1,701	1,536	39	126			Long-term investments and related	1,647	1,342	130	175
Long-term investments and related												

Fuel hedge contracts	Fuel hedge contracts	(9)	—	(9)	—	Fuel hedge contracts	12	—	12	—
Delta Air Lines, Inc.   June September 2023 Form 10-Q		9								

Notes to the Condensed Consolidated Financial Statements

(in millions)		December 31,			
		2022	Level 1	Level 2	Level 3
Cash equivalents		\$ 2,021	\$ 2,021	\$ —	\$ —
Restricted cash equivalents		206	206	—	—
Short-term investments					
U.S. Government securities		1,587	122	1,465	—
Corporate obligations		1,614	—	1,614	—
Other fixed income securities		67	—	67	—
Long-term investments		1,450	1,305	38	107
Fuel hedge contracts		(47)	—	(47)	—

**Cash Equivalents and Restricted Cash Equivalents.** Cash equivalents generally consist of money market funds. Restricted cash equivalents generally consist of money market funds, time deposits, commercial paper and negotiable certificates of deposit, which primarily relate to certain self-insurance obligations and airport commitments. Restricted cash equivalents are recorded in prepaid expenses and other on our balance sheet. The fair value of these cash equivalents is based on a market approach using prices generated by market transactions involving identical or comparable assets.

**Short-Term Investments.** The fair values of our short-term investments are based on a market approach using industry standard valuation techniques that incorporate observable inputs such as quoted market prices, interest rates, benchmark curves, credit ratings of the security and other observable information.

As of June 30, 2023 September 30, 2023, the estimated fair value of our short-term investments was \$3.4 \$2.2 billion. Of these investments, \$3.1 \$2.1 billion are expected to mature in one year or less, with the remainder maturing by the first quarter of 2025 2026. Investments with maturities beyond one year when purchased are classified as short-term investments if they are expected to be available to support our short-term liquidity needs.

**Long-Term Investments, Investments and Related.** Our long-term investments measured at fair value primarily consist of equity investments, which are valued based on market prices or other observable transactions and inputs, and are recorded in equity investments on our balance sheet. Our equity investments in private companies are classified as Level 3 in the fair value hierarchy as their equity is not traded on a public exchange and our valuations incorporate certain unobservable inputs, including non-public equity issuances. As of September 30, 2023 our equity investment in Wheels Up Experience Inc. ("Wheels Up") is classified as Level 3 in the fair value hierarchy. In prior periods, this investment was classified as Level 1. We determined the quoted price of its publicly-traded shares does not represent fair value after the closing of Wheels Up's \$500 million credit facility on September 20, 2023. In addition to the quoted price, the valuation of our equity investment in Wheels Up considered certain unobservable inputs, including Wheels Up's financial projections, using both market and income approach valuation techniques. Fair value measurement using unobservable inputs is inherently uncertain, and a change in significant inputs could result in different fair values. See Note 4, "Investments," for further information on the transaction with Wheels Up and our other equity investments.

**Fuel Hedge Contracts.** Our derivative contracts to hedge the financial risk from changing fuel prices are primarily related to inventory at our wholly-owned subsidiary, Monroe Energy, LLC ("Monroe"). Our fuel hedge portfolio may consist of a combination of options, swaps or futures contracts, most of which have a duration of less than three months. Option and swap contracts are valued under income approaches using option pricing models and discounted cash flow models, respectively, based on data either readily observable in public markets, derived from public markets or provided by counterparties who regularly trade in public markets. Futures contracts and options on futures contracts are traded on a public exchange and valued based on quoted market prices. We recognized gains losses of \$12 \$140 million and \$43 \$96 million on our fuel hedge contracts in aircraft fuel and related taxes on our Condensed Consolidated Statements of Operations and Comprehensive Income/(Loss) Income ("income statement") for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, compared to gains of \$139 million and losses of \$239 million and \$478 \$339 million for the three and six nine months ended June 30, 2022 September 30, 2022, respectively. The gains losses recognized during the first six nine months of 2023 were composed of \$39 \$59 million of mark-to-market gains and \$4 \$155 million of settlement gains losses on contracts. Gains and losses on settled contracts are reflected within Monroe's operating results. See Note 9, "Segments," for further information on our Monroe refinery segment.

Notes to the Condensed Consolidated Financial Statements

**NOTE 4. INVESTMENTS**

We have developed strategic relationships with a number of airlines and airline services companies through joint ventures and other forms of cooperation and support, including equity investments. Our equity investments reinforce our commitment to these relationships and generally enhance our ability to offer input to the investee on strategic issues and direction, in some cases through representation on the board of directors.

**Fair Value Investments.** Changes in the valuation of investments accounted for at fair value are recorded in gain/(loss) on investments, net in our income statement within non-operating expense and are driven by changes in stock prices, foreign currency fluctuations and other valuation techniques for investments in certain companies, particularly those without publicly-traded shares.

**Equity Method Investments.** We record our share of our equity method investees' financial results in our income statement as described in the table below.

<b>Equity investments ownership interest and carrying value</b>																			
(in millions)	(in millions)	Accounting Treatment			Ownership Interest			Carrying Value			Accounting Treatment			Ownership Interest			Carrying Value		
		June			September			December			September			December					
		30, 2023	31, 2022	30, 2023	June	31, 2022	(in millions)	30, 2023	31, 2022	30, 2023	31, 2022	30, 2023	31, 2022	30, 2023	31, 2022	30, 2023	31, 2022		
Air France-KLM	Air France-KLM	Fair Value	3 %	3 %	\$ 138	\$ 97	Air France-KLM	Fair Value	3 %	3 %	\$ 92	\$ 97							
China Eastern	China Eastern	Fair Value	2 %	2 %	158	189	China Eastern	Fair Value	2 %	2 %	159	189							
CLEAR	CLEAR	Fair Value	5 %	5 %	192	227	CLEAR	Fair Value	5 %	5 %	158	227							
Grupo Aeroméxico	Grupo Aeroméxico	Equity Method <sup>(1)</sup>	20 %	20 %	417	412	Aeroméxico	Equity Method <sup>(1)</sup>	20 %	20 %	459	412							
Hanjin KAL	Hanjin KAL	Fair Value <sup>(2)</sup>	15 %	15 %	354	296	Hanjin KAL	Fair Value <sup>(2)</sup>	15 %	15 %	313	296							
LATAM	LATAM	Fair Value	10 %	10 %	574	403	LATAM	Fair Value	10 %	10 %	548	403							
Unifi Aviation	Unifi Aviation	Equity Method <sup>(3)</sup>	49 %	49 %	168	165	Unifi Aviation	Equity Method <sup>(3)</sup>	49 %	49 %	174	165							
Wheels Up	Wheels Up	Fair Value <sup>(4)</sup>	21 %	21 %	6	54	Wheels Up	Fair Value <sup>(4)</sup>	39 %	21 %	59	54							
Other investments	Other investments	Various			382	285	investments	Various			329	285							
Equity investments	Equity investments				\$ 2,389	\$ 2,128	investments				\$ 2,291	\$ 2,128							

(1) Results are included in miscellaneous, net in our income statement under non-operating expense.

(2) At June 30, 2023 September 30, 2023, we held 14.8% of the outstanding shares (including common and preferred), and 14.9% of the common shares, of Hanjin KAL.

(3) Results are included in contracted services in our income statement as this entity is integral to the operations of our business by providing services at many of our airport locations.

(4) See below for additional information about our ownership interest and voting rights.

**Wheels Up.** We, elected along with Certares Management LLC, Knighthead Capital Management LLC and Cox Enterprises, Inc. announced the closing on September 20, 2023 of an expanded strategic partnership with Wheels Up, which includes an agreement for a \$500 million credit facility to account for Wheels Up. At closing, the credit facility was comprised of a \$350 million term loan, of which we contributed \$150 million, and a \$100 million liquidity facility that we made available to Wheels Up in the event the company's liquidity falls below \$100 million. The terms of the credit facility permit one or more new lenders to provide an aggregate incremental \$50 million term loan after the closing date. In connection with the closing, the term loan investors received newly issued shares of Wheels Up's common stock representing 80% of Wheels Up's outstanding equity as of the closing of the credit facility on a fully diluted basis. Upon approval by Wheels Up's stockholders of an amendment to its certificate of incorporation, Wheels Up is expected to issue to the lenders additional new shares such that the lenders will own 95% of Wheels Up's outstanding equity as of the closing of the credit facility on a fully diluted basis.

The \$150 million cash contribution was reflected as an investing outflow in our Condensed Consolidated Statement of Cash Flows and allocated on a relative fair value basis to a loan receivable within other noncurrent assets and an equity investment on our balance sheet. Combined with our previous ownership stake, this new investment provides us with a 39% equity stake in Wheels Up calculated based on Wheels Up's outstanding equity as of September 20, 2023. Our current percentage ownership does not reflect the anticipated dilutive effect from the additional shares to be issued to the lenders (including potentially to one or more new lenders under the fair value option).

term loan) upon approval by Wheels Up's stockholders and common stock grants expected to be made under Wheels Up's equity compensation plans. Furthermore, Delta's voting rights with respect to its Wheels Up equity stake are capped at 29.9%.

As a result of the transaction, we concluded that Wheels Up is a variable interest entity ("VIE"). A VIE requires consolidation by the entity's primary beneficiary. We determined that we are not the primary beneficiary after assessing the decision-making process for the significant activities of Wheels Up, concluding that Wheels Up's Board of Directors continues to possess the decision-making authority over the significant activities, and we do not control Wheels Up's Board. Based on this assessment, Wheels Up is not consolidated in our financial statements.

We continue to account for our equity interest under the fair value option, as originally elected as part of our initial acquisition of Wheels Up shares in 2020. We will also account for our loan receivable at fair value, as the fair value option is applied to all of an investor's financial interests in the same entity. None of the \$100 million liquidity facility has been drawn as of September 30, 2023.

**NOTE 5. DEBT**

(in millions)	(in millions)	Interest Rate(s) December					Interest Rate(s) September December					Summary of outstanding debt by category	
		Maturity Dates	Per Annum at June 30, 2023	June 30, 2023	31, 2022	(in millions)	Maturity Dates	Per Annum at September 30, 2023	30, 2023	31, 2022			
Unsecured Payroll Support Program Loans	Unsecured Payroll Support	Program Loans 2030 to 2031	1.00%	\$ 3,496	\$ 3,496	Unsecured Payroll Support	Program Loans 2030 to 2031	1.00%	\$ 3,496	\$ 3,496			
Unsecured notes	notes	2024 to 2029 2.90% to 7.38%	2,590	2,997		Unsecured notes	2024 to 2029 2.90% to 7.38%	2,590	2,997				
Financing arrangements secured by SkyMiles assets:	Financing arrangements secured by SkyMiles assets:					Financing arrangements secured by SkyMiles assets:							
SkyMiles Notes <sup>(1)</sup>	SkyMiles Notes <sup>(1)</sup>	2023 to 2028 4.50% and 4.75%	4,792	5,144		SkyMiles Notes <sup>(1)</sup>	2023 to 2028 4.50% and 4.75%	4,655	5,144				
SkyMiles Term Loan <sup>(1)(2)</sup>	SkyMiles Term Loan <sup>(1)</sup>	(2) 2023 to 2027	8.80%	2,092	2,820	SkyMiles Term Loan <sup>(1)</sup>	(2) 2023 to 2027	9.08%	1,882	2,820			
NYTDC Special Facilities Revenue Bonds <sup>(1)</sup>	NYTDC Special Facilities Revenue Bonds <sup>(1)</sup>	2024 to 2045 4.00% to 5.00%	2,778	2,838		NYTDC Special Facilities Revenue Bonds <sup>(1)</sup>	2024 to 2045 4.00% to 5.00%	2,778	2,838				
Financing arrangements secured by aircraft:	Financing arrangements secured by aircraft:					Financing arrangements secured by aircraft:							
Certificates <sup>(1)</sup>	Certificates <sup>(1)</sup>	2023 to 2028 2.00% to 8.00%	1,699	1,802		Certificates <sup>(1)</sup>	2023 to 2028 2.00% to 8.00%	1,632	1,802				
Notes <sup>(1)(2)</sup>	Notes <sup>(1)(2)</sup>	2023 to 2033 6.61% to 7.62%	181	813		Notes <sup>(1)(2)</sup>	2023 to 2033 6.76% to 8.00%	173	813				
Financing arrangements secured by slots, gates and/or routes:	Financing arrangements secured by slots, gates and/or routes:					Financing arrangements secured by slots, gates and/or routes:							
2020 Senior Secured Notes	2020 Senior Secured Notes	2025	7.00%	1,040	1,542	2020 Senior Secured Notes	2025	7.00%	838	1,542			

2018 Revolving Credit Facility <sup>(2)</sup>	2018 Revolving Credit Facility <sup>(2)</sup>	2024 to 2025	Undrawn	—	—	2018 Revolving Credit Facility <sup>(2)</sup>	2024 to 2025	Undrawn	—	—
Other financings <sup>(1)</sup> <sup>(2)</sup>	Other financings <sup>(1)(2)</sup>	2023 to 2030	2.51% to 5.00%	67	67	Other financings <sup>(1)(2)</sup>	2023 to 2030	2.51% to 5.00%	67	67
Other revolving credit facilities <sup>(2)</sup>	Other revolving credit facilities <sup>(2)</sup>	2023 to 2024	Undrawn	—	—	Other revolving credit facilities <sup>(2)</sup>	2023 to 2024	Undrawn	—	—
Total secured and unsecured debt	Total secured and unsecured debt			\$18,735	\$ 21,519	Total secured and unsecured debt			\$ 18,111	\$ 21,519
Unamortized (discount)/premium and and debt issue cost, net and other	Unamortized (discount)/premium and debt issue cost, net and other			(99)	(138)	Unamortized (discount)/premium and debt issue cost, net and other			(83)	(138)
Total debt	Total debt			\$18,636	\$ 21,381	Total debt			\$ 18,028	\$ 21,381
Less: current maturities	Less: current maturities			(1,766)	(2,055)	Less: current maturities			(1,681)	(2,055)
Total long-term debt	Total long-term debt			\$16,870	\$ 19,326	Total long-term debt			\$ 16,347	\$ 19,326

(1) Due in installments during the years shown above.

(2) Certain financings are comprised of variable rate debt. All variable rates are equal to Secured Overnight Financing Rate ("SOFR") (generally subject to a floor) or another index rate, plus a specified margin.

#### Availability Under Revolving Credit Facilities

As of **June 30, 2023** **September 30, 2023**, we had approximately \$2.8 billion undrawn and available under our revolving credit facilities. In addition, we had approximately \$400 million outstanding letters of credit as of **June 30, 2023** **September 30, 2023** that did not affect the availability of our revolving credit facilities.

#### Early Settlement of Outstanding Notes

During the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, we repurchased a principal amount of **\$1.1** **\$1.4** billion of various secured and unsecured notes and a portion of the SkyMiles Term Loan on the open market and made early principal repayments of \$585 million on various notes secured by aircraft. These payments resulted in a **\$50** **\$63** million loss on extinguishment of debt recorded in non-operating expense in our income statement.

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#### Notes to the **Condensed** Consolidated Financial Statements

##### Fair Value of Debt

Market risk associated with our fixed- and variable-rate debt relates to the potential reduction in fair value and negative impact to future earnings, respectively, from an increase in interest rates. The fair value of debt shown below is principally based on reported market values, recently completed market transactions and estimates based on interest rates, maturities, credit risk and underlying collateral. Debt is primarily classified as Level 2 within the fair value hierarchy.

Fair value of outstanding debt										
	December			September			December			
(in millions)	(in millions)	June 30, 2023	31, 2022	(in millions)	30, 2023	31, 2022				
Net carrying amount	Net carrying amount			Net carrying amount						
	\$18,636	\$ 21,381		amount \$ 18,028	\$ 21,381					
Fair value	Fair value	\$18,300	\$ 20,700	Fair value	\$ 17,300	\$ 20,700				

#### Covenants

Our debt agreements contain various affirmative, negative and financial covenants. We were in compliance with the covenants in our debt agreements at **June 30, 2023** **September 30, 2023**.

**NOTE 6. EMPLOYEE BENEFIT PLANS**

		Employee benefit plans net periodic cost (benefit)								
(in millions)	(in millions)	Other Postretirement and				Other Postretirement and				
		Pension Benefits		Postemployment Benefits		Pension Benefits		Postemployment Benefits		
		2023	2022	2023	2022	(in millions)	2023	2022	2023	2022
<b>Three Months Ended June 30,</b>										
<b>Three Months Ended September 30,</b>		<b>Three Months Ended September 30,</b>								
Service cost	Service cost	\$ —	\$ —	\$ 18	\$ 18	Service cost	\$ —	\$ —	\$ 18	\$ 18
Interest cost	Interest cost	213	153	50	32	Interest cost	213	153	50	32
Expected return on plan assets	Expected return on plan assets	(264)	(330)	—	(4)	Expected return on plan assets	(264)	(330)	—	(4)
Amortization of prior service credit	Amortization of prior service credit	—	—	(1)	(1)	Amortization of prior service credit	—	—	(1)	(1)
Recognized net actuarial loss	Recognized net actuarial loss	60	64	3	13	Recognized net actuarial loss	60	64	3	13
Net periodic cost (benefit)	Net periodic cost (benefit)	\$ 9	\$ (113)	\$ 70	\$ 58	Net periodic cost (benefit)	\$ 9	\$ (113)	\$ 70	\$ 58
<b>Six Months Ended June 30,</b>										
<b>Nine Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>								
Service cost	Service cost	\$ —	\$ —	\$ 36	\$ 35	Service cost	\$ —	\$ —	\$ 54	\$ 53
Interest cost	Interest cost	426	306	100	64	Interest cost	638	459	150	96
Expected return on plan assets	Expected return on plan assets	(528)	(660)	—	(8)	Expected return on plan assets	(791)	(990)	(1)	(12)
Amortization of prior service credit	Amortization of prior service credit	—	—	(3)	(3)	Amortization of prior service credit	—	—	(4)	(4)
Recognized net actuarial loss	Recognized net actuarial loss	119	127	6	28	Recognized net actuarial loss	179	191	10	41
Net periodic cost (benefit)	Net periodic cost (benefit)	\$ 17	\$ (227)	\$ 139	\$ 116	Net periodic cost (benefit)	\$ 26	\$ (340)	\$ 209	\$ 174

Service cost is recorded in salaries and related costs in our income statement, while all other components are recorded within pension and related (expense)/benefit under non-operating expense.

## NOTE 7. COMMITMENTS AND CONTINGENCIES

### Aircraft Purchase Commitments

Our future aircraft purchase commitments totaled approximately \$18.5 billion at **June 30, 2023** September 30, 2023.

Aircraft purchase commitments <sup>(1)</sup>				
(in millions)	(in millions)	Total	(in millions)	Total
Six months ending December 31, 2023				
		\$ 1,560		
Three months ending December 31, 2023			Three months ending December 31, 2023	
			\$ 920	
2024	2024	3,590	2024	3,520
2025	2025	5,340	2025	5,410
2026	2026	3,840	2026	3,850
2027	2027	2,720	2027	2,720
Thereafter	Thereafter	1,420	Thereafter	1,410
<b>Total</b>	<b>Total</b>	<b>\$18,470</b>	<b>Total</b>	<b>\$17,830</b>

<sup>(1)</sup> The timing of these commitments is based on our contractual agreements with the aircraft manufacturers and may be subject to change based on modifications to those agreements or changes in delivery schedules.

Our future aircraft purchase commitments included the following aircraft at **June 30, 2023** September 30, 2023:

### Aircraft purchase commitments by fleet type

Aircraft Type	Purchase Commitments
A220-300	7068
A321-200neo	120113
A330-900neo	1716
A350-900	16
B-737-10	100
<b>Total</b>	<b>323313</b>

### Aircraft Orders

During the June 2023 quarter, we agreed to acquire one A330-900 with delivery expected to occur in 2025. We also exercised purchase rights for 12 A220-300 with delivery expected to start in 2027.

### Legal Contingencies

We are involved in various legal proceedings related to employment practices, environmental issues, commercial disputes, antitrust and other regulatory matters concerning our business. We record liabilities for losses from legal proceedings when we determine that it is probable that the outcome in a legal proceeding will be unfavorable and the amount of loss can be reasonably estimated. Although the outcome of the legal proceedings in which we are involved cannot be predicted with certainty, we believe that the resolution of current matters will not have a material adverse effect on our Condensed Consolidated Financial Statements.

### Employees Under Collective Bargaining Agreements

In the March 2023 quarter, Delta pilots ratified a new four-year Pilot Working Agreement effective January 1, 2023. The agreement includes numerous work rule changes and pay rate increases during the four-year term, including an initial pay rate increase of 18%. The agreement also includes a provision for a one-time payment made upon ratification in the March 2023 quarter of \$735 million. Additionally, we recorded adjustments to other benefit-related items of approximately \$130 million. These items are recorded within pilot agreement and related expenses in our income statement.

**NOTE 8. ACCUMULATED OTHER COMPREHENSIVE LOSS**

Components of accumulated other comprehensive loss										
		Pension and Other Benefit				Pension and Other Benefit				
		Liabilities	Other	Tax	Total	Liabilities	Other	Tax	Total	
(in millions)	(in millions)									
Balance at January 1, 2023	Balance at January 1, 2023	\$ (6,624)	\$ 41	\$ 782	\$ (5,801)	Balance at January 1, 2023	\$ (6,624)	\$ 41	\$ 782	\$ (5,801)
Changes in value	Changes in value	—	(3)	1	(2)	Changes in value	—	(1)	—	(1)
Reclassifications into earnings <sup>(1)</sup>	Reclassifications into earnings <sup>(1)</sup>	122	—	(28)	94	Reclassifications into earnings <sup>(1)</sup>	185	—	(43)	142
Balance at June 30, 2023		\$ (6,502)	\$ 38	\$ 755	\$ (5,709)					
Balance at September 30, 2023						Balance at September 30, 2023	\$ (6,439)	\$ 40	\$ 739	\$ (5,660)
Balance at January 1, 2022	Balance at January 1, 2022	\$ (8,355)	\$ 41	\$ 1,184	\$ (7,130)	Balance at January 1, 2022	\$ (8,355)	\$ 41	\$ 1,184	\$ (7,130)
Reclassifications into earnings <sup>(1)</sup>	Reclassifications into earnings <sup>(1)</sup>	159	—	(37)	122	Reclassifications into earnings <sup>(1)</sup>	240	—	(56)	184
Balance at June 30, 2022		\$ (8,196)	\$ 41	\$ 1,147	\$ (7,008)					
Balance at September 30, 2022						Balance at September 30, 2022	\$ (8,115)	\$ 41	\$ 1,128	\$ (6,946)

(1) Amounts reclassified from accumulated other comprehensive loss for pension and other benefit liabilities are recorded in pension and related (expense)/benefit in non-operating expense in our income statement.

**NOTE 9. SEGMENTS**

**Refinery Operations**

Our refinery segment operates for the benefit of the airline segment by providing jet fuel to the airline segment from its own production and from jet fuel obtained through agreements with third parties. The refinery's production consists of jet fuel, as well as non-jet fuel products. We use several counterparties to exchange the non-jet fuel products produced by the refinery for jet fuel consumed in our airline operations. The gross fair value of the products exchanged under these agreements during the three and six nine months ended June 30, 2023 September 30, 2023 was \$618 \$519 million and \$1.3 \$1.8 billion, respectively, compared to \$1.0 billion \$834 million and \$1.8 \$2.6 billion for the three and six nine months ended June 30, 2022 September 30, 2022, respectively.

**Segment Reporting**

Segment results are prepared based on our internal accounting methods described below, with reconciliations to consolidated amounts in accordance with GAAP. Our segments are not designed to measure operating income or loss directly related to the products and services included in each segment on a stand-alone basis.

Financial information by segment										
		Intersegment				Intersegment				
(in millions)	(in millions)	Airline	Refinery	Sales/Other	Consolidated	(in millions)	Airline	Refinery	Sales/Other	Consolidated
<b>Three Months Ended June 30, 2023</b>										

Operating revenue:	\$14,613	\$ 2,037	\$ 15,578	
Sales to airline segment		\$ (365)	<sup>(1)</sup>	
Exchanged products		(618)	<sup>(2)</sup>	
Sales of refined products		(89)		
Depreciation and amortization	573	23	(23)	573
Operating income	2,447	44	<sup>(3)</sup>	2,491
Interest expense, net	203	3	(3)	203
Total assets, end of period	70,265	3,309	(77)	73,497
Capital expenditures	1,422	30	—	1,452

**Three Months Ended June  
30, 2022**

Three Months Ended September 30, 2023					Three Months Ended September 30, 2023				
Operating revenue:	Operating revenue:	\$12,310	\$ 3,353	\$ 13,824	Operating revenue:	\$14,553	\$ 1,886	\$ 15,488	
Sales to airline segment	Sales to airline segment			<sup>(1)</sup>	Sales to airline segment			<sup>(1)</sup>	
Exchanged products	Exchanged products			<sup>(2)</sup>	Exchanged products			<sup>(2)</sup>	
Sales of refined products	Sales of refined products			<sup>(3)</sup>	Sales of refined products			<sup>(3)</sup>	
Depreciation and amortization	Depreciation and amortization	510	23	(23)	510	amortization	594	23	(23)
Operating income	Operating income	1,250	269	—	1,519	Operating income	1,865	119	—
Interest expense, net	Interest expense, net	269	2	(2)	269	Interest expense, net	196	6	(6)
Total assets, end of period	Total assets, end of period	71,766	3,065	(26)	74,805	Total assets, end of period	69,851	3,397	(1)
Net fair value obligations, end of period	Net fair value obligations, end of period	—	(556)	—	(556)	Net fair value obligations, end of period	—	(9)	—
Capital expenditures	Capital expenditures	928	30	—	958	Capital expenditures	1,201	68	—

Three Months Ended September 30, 2022					Three Months Ended September 30, 2022				
Operating revenue:		Operating revenue:	\$12,841	\$ 2,599			\$ 13,975		
Sales to airline segment		Sales to airline segment			<sup>(1)</sup>				
Exchanged products		Exchanged products			<sup>(2)</sup>				
Sales of refined products		Sales of refined products			<sup>(3)</sup>				

Depreciation and amortization	Depreciation and amortization	(3)
Operating income	538	23
Interest expense, net	(23)	538
Total assets, end of period	1,264	192
Net fair value obligations, end of period	—	1,456
Capital expenditures	248	3
	(3)	248
Total assets, end of period	69,680	2,977
Net fair value obligations, end of period	—	(61)
Capital expenditures	1,393	49
	—	72,596
	—	(291)
	—	(291)
	—	1,442

(1) Represents transfers, valued on a market price basis, from the refinery to the airline segment for use in airline operations. We determine market price for jet fuel from the refinery by reference to the market index for the primary delivery location, which is New York Harbor.

(2) Represents value of products delivered under our exchange agreements, as discussed above, determined on a market price basis.

(3) Refinery segment operating results, including depreciation and amortization, are included within aircraft fuel and related taxes in our income statement.

Notes to the Condensed Consolidated Financial Statements

Financial information by segment										
(in millions)	(in millions)	Airline	Refinery	Intersegment Sales/Other	Consolidated	(in millions)	Airline	Refinery	Intersegment Sales/Other	Consolidated
<b>Six Months Ended June 30, 2023</b>										
<b>Nine Months Ended September 30, 2023</b>										
Operating revenue:	Operating revenue:	\$ 26,455	\$ 4,388	\$ 28,337	(1)	Operating revenue:	\$ 41,008	\$ 6,274	\$ 43,825	
Sales to airline segment	Sales to airline segment	\$ (961)				Sales to airline segment	\$ (1,346)		(2)	
Exchanged products	Exchanged products		(1,330)			Exchanged products		(1,848)		
Sales of refined products	Sales of refined products		(215)			Sales of refined products		(263)		
Depreciation and amortization	Depreciation and amortization	1,137	46	(46)	1,137	Depreciation and amortization	1,731	69	(69)	
Operating income	Operating income	1,949	266	—	2,215	Operating income	3,814	385	—	
Interest expense, net	Interest expense, net	430	8	(8)	430	Interest expense, net	627	14	(14)	
Capital expenditures	Capital expenditures	2,393	59	—	2,452	Capital expenditures	3,594	127	—	
<b>Six Months Ended June 30, 2022</b>										
<b>Nine Months Ended September 30, 2022</b>										

Operating revenue:	Operating revenue:	\$ 20,473	\$ 5,666	\$ 23,173	Operating revenue:	\$ 33,312	\$ 8,265	\$ 37,147
Sales to airline segment	Sales to airline segment			<sup>(1)</sup>	Sales to airline segment			<sup>(1)</sup>
Exchanged products	Exchanged products		\$ (1,053)	<sup>(2)</sup>	Exchanged products		\$ (1,557)	<sup>(2)</sup>
Sales of refined products	Sales of refined products			(1,791)	Sales of refined products			(2,623)
Depreciation and amortization	Depreciation and amortization			<sup>(3)</sup>	Depreciation and amortization			<sup>(3)</sup>
Operating income	Operating income	1,016	47	(47)	1,016	1,554	70	(70)
Interest expense, net	Interest expense, net	412	323	—	735	1,676	515	—
Capital expenditures	Capital expenditures	543	4	(4)	543	791	7	(7)
		2,676	48	—	2,724	4,069	97	—
								4,166

(1) Represents transfers, valued on a market price basis, from the refinery to the airline segment for use in airline operations. We determine market price for jet fuel from the refinery by reference to the market index for the primary delivery location, which is New York Harbor.

(2) Represents value of products delivered under our exchange agreements, as discussed above, determined on a market price basis.

(3) Refinery segment operating results, including depreciation and amortization, are included within aircraft fuel and related taxes in our income statement.

#### Fair Value Obligations

The net fair value obligations presented in the table above are related to renewable fuel compliance costs and presented net of any related assets or fixed price purchase agreements. Their value is based on quoted market prices and other observable information and are therefore classified as Level 2 in the fair value hierarchy. As of June 30, 2023 we had no net fair value obligation outstanding. Our obligation as of September 30, 2023 was calculated using the U.S. Environmental Protection Agency's ("EPA") Renewable Fuel Standard ("RFS") volume requirements, which were finalized in 2022 for the 2021 and 2022 obligations, and proposed in 2022 for 2023 obligations. In the March 2023 quarter, we settled a portion of our 2021 Renewable Identification Numbers ("RINs") obligation with the EPA. We expect to settle the remaining 2021 and our entire 2022 RINs obligation by the 2022 compliance deadline in the December 2023 quarter.

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#### Notes to the Condensed Consolidated Financial Statements

##### NOTE 10. EARNINGS/(LOSS) EARNINGS PER SHARE

We calculate basic earnings/(loss) earnings per share and diluted loss per share by dividing net income/(loss) income by the weighted average number of common shares outstanding, excluding restricted shares. We calculate diluted earnings per share by dividing net income by the weighted average number of common shares outstanding plus the dilutive effect of outstanding share-based instruments, including stock options, restricted stock awards and warrants. Antidilutive common stock equivalents excluded from the diluted earnings per share calculation are not material. The following table shows the computation of basic and diluted earnings/(loss) earnings per share:

Basic and diluted earnings/(loss) per share											
Basic and diluted earnings per share				Basic and diluted earnings per share							
Basic and diluted earnings per share				Three Months Ended September 30,		Six Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions, except per share data)	(in millions, except per share data)	2023	2022	2023	2022	(in millions, except per share data)	2023	2022	2023	2022	
Net income/(loss)		\$ 1,827	\$ 735	\$ 1,464	\$ (205)						
Net income						Net income	\$ 1,108	\$ 695	\$ 2,572	\$ 489	

Basic weighted average shares outstanding	Basic weighted average shares outstanding	639	638	639	638	Basic weighted average shares outstanding	639	638	639	638
Dilutive effect of share-based instruments	Dilutive effect of share-based instruments	3	3	3	—	Dilutive effect of share-based instruments	5	3	4	3
Diluted weighted average shares outstanding	Diluted weighted average shares outstanding	642	641	642	638	Diluted weighted average shares outstanding	644	641	643	641
Basic earnings/(loss) per share	\$ 2.86	\$ 1.15	\$ 2.29	\$ (0.32)						
Diluted earnings/(loss) per share	\$ 2.84	\$ 1.15	\$ 2.28	\$ (0.32)						
Basic earnings per share					Basic earnings per share	\$ 1.73	\$ 1.09	\$ 4.03	\$ 0.77	
Diluted earnings per share					Diluted earnings per share	\$ 1.72	\$ 1.08	\$ 4.00	\$ 0.76	

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## Item 2. MD&A

### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Condensed Consolidated Financial Statements and the related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q and our audited Consolidated Financial Statements and related notes included in our 2022 Form 10-K.

#### June September 2023 Quarter Financial Highlights

Our operating income for the June September 2023 quarter improved \$972 million \$528 million compared to the June September 2022 quarter to \$2.5 billion \$2.0 billion for the reasons discussed below.

**Revenue.** Compared to the June September 2022 quarter, our total revenue increased \$1.8 billion \$1.5 billion, or 13% 11%, due primarily to a 16% increase in capacity driven by strength in the demand for travel premium products and a 17% increase in capacity. International travel. Total revenue, adjusted (a non-GAAP financial measure) increased in the September 2023 quarter by \$1.7 billion, or 13%, compared to the September 2022 quarter. Adjustments were primarily to exclude revenue related to refinery sales to third parties, increased in the June 2023 quarter by \$2.3 billion, or 19%, compared to the June 2022 quarter. parties.

**Operating Expense.** Total operating expense in the June September 2023 quarter increased \$782 million \$1.0 billion, or 6% 8%, compared to the June September 2022 quarter, primarily due to the impact of higher capacity as well as higher employee costs from increased wages and profit sharing, higher maintenance costs and increased costs associated with higher capacity, partially offset by lower fuel expense and lower expenses related to refinery sales to third parties, reflected in ancillary businesses and refinery expense. Total operating expense, adjusted (a non-GAAP financial measure) in the June September 2023 quarter increased \$1.3 billion \$1.2 billion, or 12% 11%, compared to the June September 2022 quarter. Adjustments were primarily to exclude expenses related to refinery sales to third parties.

Our total operating cost per available seat mile ("CASM") decreased 9% 7% compared to the June September 2022 quarter, primarily due to decreased a 16% increase in capacity, as well as lower fuel expense and lower expenses related to refinery sales to third parties on a 17% increase in capacity. parties. Non-fuel unit costs ("CASM-Ex", a non-GAAP financial measure) increased 2.4% 1.3%.

**Cash Flow.** Our cash, cash equivalents, short-term investments and aggregate undrawn principal amount available under our revolving credit facilities ("liquidity") as of June 30, 2023 September 30, 2023 was \$8.8 billion \$7.8 billion. During the June September 2023 quarter, operating activities generated \$2.6 billion \$1.1 billion. Also, during the quarter, cash flows used in investing activities totaled \$131 million as capital expenditures and our investment in Wheels Up were a net partially offset by redemptions of \$1.4 billion, primarily for capital expenditures, short-term investments. These operating and investing activities generated \$1.1 billion of negative free cash flow (a of \$250 million (a non-GAAP financial measure) in the June September 2023 quarter. Additionally, we had cash outflows of approximately \$1.8 billion \$724 million related to repayments of our debt and finance leases.

Total cash sales to American Express were \$1.7 billion in the June September 2023 quarter, an increase of approximately 22% 20% compared to the June September 2022 quarter.

The non-GAAP financial measure measures referenced above for total revenue, adjusted, operating expense, adjusted, CASM-Ex and free cash flow are defined and reconciled in "Supplemental Information" below.

Item 2. MD&A - Results of Operations

Results of Operations - Three Months Ended June 30, 2023 September 30, 2023 and 2022

Total Operating Revenue

(in millions) <sup>(1)</sup>	(in millions) <sup>(1)</sup>	Three Months Ended June 30,			Increase (Decrease)	% Increase (Decrease)	Three Months Ended September 30,			Increase (Decrease)	% Increase (Decrease)
		2023	2022				2023	2022			
Ticket - Main cabin	Ticket - Main cabin	\$ 6,694	\$ 5,664	\$ 1,030	18	% cabin	\$ 6,620	\$ 5,893	\$ 727	12	%
Ticket - Premium products	Ticket - Premium products	5,135	4,109	1,026	25	% products	5,113	4,354	759	17	%
Loyalty travel awards	Loyalty travel awards	902	744	158	21	% awards	902	786	116	15	%
Travel-related services	Travel-related services	474	441	33	7	% services	484	431	53	12	%
Passenger revenue	Passenger revenue	\$ 13,205	\$ 10,958	\$ 2,247	21	Passenger % revenue	\$ 13,119	\$ 11,464	\$ 1,655	14	%
Cargo	Cargo	172	272	(100)	(37)	% Cargo	154	240	(86)	(36)	%
Other	Other	2,201	2,594	(393)	(15)	% Other	2,215	2,271	(56)	(2)	%
Total operating revenue	Total operating revenue	\$ 15,578	\$ 13,824	\$ 1,754	13	Total operating % revenue	\$ 15,488	\$ 13,975	\$ 1,513	11	%
TRASM (cents)	TRASM (cents)	22.58 ¢	23.47 ¢	(0.89) ¢	(4)	TRASM % (cents)	21.15 ¢	22.18 ¢	(1.03) ¢	(5)	%
Third-party refinery sales	Third-party refinery sales	(1.40)	(2.57)	1.17	(46)	Third-party refinery % sales	(1.28)	(1.80)	0.52	(29)	%
TRASM, adjusted <sup>(2)</sup>	TRASM, adjusted <sup>(2)</sup>	21.18 ¢	20.90 ¢	0.28 ¢	1	TRASM, % adjusted <sup>(2)</sup>	19.87 ¢	20.38 ¢	(0.51) ¢	(2.5)	%

<sup>(1)</sup> Total amounts in the table above may not calculate exactly due to rounding.

<sup>(2)</sup> TRASM, adjusted is a non-GAAP financial measure. For additional information on adjustments to TRASM, see "Supplemental Information" below.

Compared to the June September 2022 quarter, our total revenue increased \$1.8 billion, \$1.5 billion, or 13% 11%, due primarily to a 16% increase in capacity driven by strength in travel demand, on a 17% increase in capacity, with growth in revenue from premium products outpacing main cabin. This increase was partially offset by a decline in third-party refinery sales recorded in other revenue. See "Refinery Segment" below for additional details on the refinery's operations, including third party refinery sales. The increase in total revenue, in conjunction with a larger increase in capacity, resulted in a 4% decrease in total Total revenue per available seat mile ("TRASM"), decreased 5% in large part as a result of the decline in third-party refinery sales.

Passenger Revenue by Geographic Region

(in millions)	(in millions)	Increase (Decrease) vs. Three Months Ended June 30, 2022						Three Months Ended September 30, 2023 (in millions)	Increase (Decrease) vs. Three Months Ended September 30, 2022					
		Three Months Ended June 30, 2023			Passenger RPMs ASMs Load				Passenger RPMs ASMs Load					
		Passenger Revenue	RPMs (Traffic)	ASMs (Capacity)	Passenger Mile Yield	PRASM	Load Factor		Passenger Revenue	RPMs (Traffic)	ASMs (Capacity)	Passenger Mile Yield	PRASM	Load Factor
Domestic	Domestic	\$ 8,944	8 %	7 %	9 %	— %	(1) %	Domestic \$ 8,662	6 %	12 %	11 %	(5) %	(4) %	1 pt
Atlantic	Atlantic	2,803	65 %	41 %	35 %	17 %	22 %	Atlantic 3,110	34 %	23 %	22 %	9 %	10 %	1 pt

Latin America	Latin America	926	24 %	12 %	7 %	11 %	16 %	4 pts	Latin America	788	20 %	23 %	19 %	(3) %	— %	3 pts
Pacific	Pacific	532	175 %	175 %	113 %	— %	29 %	19 pts	Pacific	559	65 %	62 %	70 %	2 %	(3) %	(4) pts
Total	Total	\$ 13,205	21 %	18 %	17 %	2 %	3 %	1 pt	Total	\$ 13,119	14 %	17 %	16 %	(2) %	(1) %	1 pt

#### Domestic

Domestic passenger revenue increased 8%<sup>6</sup> in the June September 2023 quarter compared to the June September 2022 quarter on a 9%<sup>6</sup> increase in capacity and a slight decrease in load factor. We experienced strong revenue results across the domestic network, with coastal hub markets such as New York and Boston improving significantly compared to the prior period, and domestic business travel revenue improving compared to the June September 2022 quarter.

#### International

International passenger revenue for the June September 2023 quarter increased compared to the June September 2022 quarter in each geographic region. In June Overall, international demand remained strong leading to an increase in passenger unit revenue of 7% on a 26% increase in capacity compared to the September 2022 the United States lifted its COVID-19 testing requirement for international travel, which has had a positive impact on international demand. In addition, other countries in our network have removed travel restrictions since that time, resulting in revenue improvement across all international regions.

U.S. consumers Consumers continue to show a strong desire for trans-Atlantic travel, driving up higher revenue and passenger unit revenue during the June September 2023 quarter on 35%<sup>22</sup> capacity growth. This growth compared to the September 2022 quarter. The increase in revenue was led by higher demand for travel has been led by to leisure destinations in southern Europe and premium product load factor. products.

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#### Item 2. MD&A - Results of Operations

Latin America region revenue increased during the June September 2023 quarter, due to strong demand for leisure destinations in South America and the Caribbean, in Caribbean. In addition, to continuing during the implementation first year of our joint venture with LATAM. LATAM we have streamlined travel between North and South America while expanding connections in each of our key hub airports.

Pacific region revenue benefited from improved demand for travel to the region, particularly to Japan, on increased capacity following the easing lifting of travel restrictions and the performance of our joint venture with Korean Air.

#### Other Revenue

(in millions)	(in millions)	Three Months Ended June 30,		Increase (Decrease)	% Increase (Decrease)	(in millions)	Three Months Ended September 30,		Increase (Decrease)	% Increase (Decrease)
		2023	2022				2023	2022		
Refinery	Refinery	\$ 965	\$ 1,514	\$ (549)	(36) %	Refinery	\$ 935	\$ 1,134	\$ (199)	(18) %
Loyalty program	Loyalty program	774	650	124	19 %	Loyalty program	791	655	136	21 %
Ancillary businesses	Ancillary businesses	214	206	8	4 %	Ancillary businesses	212	249	(37)	(15) %
Miscellaneous	Miscellaneous	248	224	24	11 %	Miscellaneous	277	233	44	19 %
Other revenue	Other revenue	\$ 2,201	\$ 2,594	\$ (393)	(15) %	Other revenue	\$ 2,215	\$ 2,271	\$ (56)	(2) %

**Refinery.** Refinery sales to third parties decreased \$549 million<sup>199</sup> million compared to the June September 2022 quarter due to lower pricing, pricing and a planned maintenance event ("turnaround") which began in September 2023. See "Refinery Segment" below for additional details on the refinery's operations, including third party refinery sales.

**Loyalty Program.** Loyalty program revenue relates to brand usage by third parties and other performance obligations embedded in miles sold, including redemption of miles for non-air travel and other awards. These revenues are mainly driven by customer spend on American Express cards and new cardholder acquisitions. Revenues from our relationship with American Express increased compared to the June September 2022 quarter, due to continued strength in increased co-brand card spend and card acquisitions.

**Miscellaneous.** Miscellaneous is primarily composed of revenues related to Delta Sky Club lounge access, including access provided to certain American Express cardholders, and codeshare agreements. The volume of these transactions has increased compared to the June September 2022 quarter in line with the increased capacity.

**Operating Expense**

(in millions)	Three Months Ended June 30,		Increase (Decrease)	% Increase (Decrease) <sup>(1)</sup>
	2023	2022		
Salaries and related costs	\$ 3,692	\$ 2,955	\$ 737	25 %
Aircraft fuel and related taxes	2,516	3,223	(707)	(22)%
Ancillary businesses and refinery	1,173	1,718	(545)	(32)%
Contracted services	994	791	203	26 %
Landing fees and other rents	617	546	71	13 %
Aircraft maintenance materials and outside repairs	614	522	92	18 %
Passenger commissions and other selling expenses	651	526	125	24 %
Depreciation and amortization	573	510	63	12 %
Regional carrier expense	559	528	31	6 %
Passenger service	442	369	73	20 %
Profit sharing	595	54	541	NM
Aircraft rent	132	127	5	4 %
Other	529	436	93	21 %
<b>Total operating expense</b>	<b>\$ 13,087</b>	<b>\$ 12,305</b>	<b>\$ 782</b>	<b>6 %</b>

<sup>(1)</sup> Certain variances are labeled as not meaningful ("NM") throughout management's discussion and analysis.

(in millions)	Three Months Ended September 30,		Increase (Decrease)	% Increase (Decrease)
	2023	2022		
Salaries and related costs	\$ 3,760	\$ 3,050	\$ 710	23 %
Aircraft fuel and related taxes	2,936	3,318	(382)	(12)%
Ancillary businesses and refinery	1,128	1,349	(221)	(16)%
Contracted services	1,004	881	123	14 %
Landing fees and other rents	679	562	117	21 %
Aircraft maintenance materials and outside repairs	661	487	174	36 %
Passenger commissions and other selling expenses	618	546	72	13 %
Depreciation and amortization	594	538	56	10 %
Regional carrier expense	546	528	18	3 %
Passenger service	449	406	43	11 %
Profit sharing	417	237	180	76 %
Aircraft rent	131	131	—	— %
Other	581	486	95	20 %
<b>Total operating expense</b>	<b>\$ 13,504</b>	<b>\$ 12,519</b>	<b>\$ 985</b>	<b>8 %</b>

**Salaries and Related Costs.** In the March 2023 quarter, Delta pilots ratified a new four-year Pilot Working Agreement effective January 1, 2023. The agreement includes numerous work rule changes and pay rate increases during the four-year term, including an initial pay rate increase of 18%.

Over the past year, we implemented base pay increases for eligible non-pilot employees of 5% effective April 1, 2023 and 4% effective May 1, 2022. Additionally, we have approximately 9,000,000 more employees as of June 30, 2023 September 30, 2023 than at June 30, 2022 September 30, 2022, principally in in-flight service, flight operations and aircraft maintenance, in order to support the growth in our operations. Each of these items contributed to the increase in salaries and related costs during the June September 2023 quarter compared to the June September 2022 quarter.

**Aircraft Fuel and Related Taxes.** Fuel expense Aircraft fuel and related taxes decreased \$707 million \$382 million compared to the June September 2022 quarter primarily due to a 38% 23% decrease in the market price of jet fuel partially offset by a 16% 14% increase in consumption on a 17% 16% increase in capacity. The refinery also provided a benefit of 11 cents per gallon compared to a benefit of 21 cents per gallon in the September 2022 quarter. We expect jet fuel prices to remain volatile throughout 2023, the remainder of 2023 and into 2024.

See "Refinery Segment" below for additional details on the refinery's operations.

(in millions, except per gallon data)	Average Price Per Gallon						Average Price Per Gallon					
	Three Months Ended June 30,			Three Months Ended September 30,			Three Months Ended June 30,			Three Months Ended September 30,		
	(in millions, except per gallon data)	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)	2022	2023	Increase (Decrease)	2023	2022
Fuel purchase cost <sup>(1)</sup>	Fuel purchase cost <sup>(1)</sup>	\$2,557	\$3,565	\$ (1,008)	\$2.56	\$4.13	\$ (1.57)	Fuel purchase cost <sup>(1)</sup>	\$3,076	\$ (Decrease) 3,474	\$ (398)	\$ (Decrease) 2.89
Fuel hedge impact	Fuel hedge impact	3	(73)	76	—	(0.08)	0.08	Fuel hedge impact	(21)	36	(57)	(0.02)
Refinery segment impact	Refinery segment impact	(44)	(269)	225	(0.04)	(0.31)	0.27	Refinery segment impact	(119)	(192)	73	(0.11)
Total fuel expense	Total fuel expense	\$2,516	\$3,223	\$ (707)	\$2.52	\$3.74	\$ (1.22)	Total fuel expense	\$2,936	\$3,318	\$ (382)	\$2.76
											3.57	\$ (0.81)

(1) Market price for jet fuel at airport locations, including related taxes and transportation costs.

**Ancillary Businesses and Refinery.** Ancillary businesses and refinery includes expenses associated with refinery sales to third parties, aircraft maintenance services we provide to third parties and our vacation wholesale operations. Refinery sales to third parties decreased \$549 million \$199 million compared to the June September 2022 quarter due to lower pricing.

**Contracted Services.** During pricing and the June 2023 quarter, demand and capacity increased compared to turnaround which began in September 2023. See "Refinery Segment" below for additional details on the June 2022 quarter due to the ongoing recovery of our operations. The continued restoration of our refinery's operations, and associated higher volume-related expenses and inflationary pressures were the primary drivers for the increase in contracted services, including third party refinery sales.

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#### Item 2. MD&A - Results of Operations

**Contracted Services.** During the September 2023 quarter, capacity increased 16% compared to the September 2022 quarter resulting in higher volume-related contracted services expenses, in addition to inflationary pressures.

**Landing Fees and Other Rents.** The increase in landing fees and other rents resulted from higher rates charged by airports following extensive redevelopment projects at numerous facilities and more flights compared to the September 2022 quarter that contributed to our increased capacity.

**Aircraft Maintenance Materials and Outside Repairs.** Maintenance Aircraft maintenance materials and outside repairs expense increased compared to the June September 2022 quarter as we continued to restore invest in the operational reliability of our operations and fleet, in particular related to support engine overhauls on our operational reliability. B-757 aircraft, in addition to higher material costs.

**Passenger Commissions and Other Selling Expenses.** Compared to the June September 2022 quarter, passenger revenue increased in the June September 2023 quarter which was the primary reason for the increase in passenger commissions and other selling expenses.

**Passenger Service.** Passenger service expenses increased compared to the June 2022 quarter due to higher volume-related expenses associated with increased demand and inflationary pressures.

**Profit Sharing.** Profit sharing increased by \$541 million \$180 million compared to the June September 2022 quarter due to higher projected profitability in 2023. Our profit sharing program pays 10% to all eligible employees for the first \$2.5 billion of annual pre-tax profit and 20% of annual pre-tax profit above \$2.5 billion, as defined by the terms of the program. In determining the amount of profit sharing, the program defines profit as pre-tax profit adjusted for profit sharing and certain other items.

*Other.* The increase in other is primarily due to higher volume-related expenses associated with increased capacity, such as flight crew and other employee travel and incidental costs, associated with increased capacity and inflationary pressures.

Item 2. MD&A - Results of Operations

Results of Operations - Six Nine Months Ended June 30, 2023 September 30, 2023 and 2022

**Total Operating Revenue**

(in millions) <sup>(1)</sup>	(in millions) <sup>(1)</sup>	Six Months Ended June 30,		Increase (Decrease)	% Increase (Decrease)	Nine Months Ended September 30,		Increase (Decrease)	% Increase (Decrease)
		2023	2022			(in millions) <sup>(1)</sup>	2023	2022	
Ticket - Main cabin	Ticket - Main cabin	\$ 11,917	\$ 9,111	\$ 2,806	31	% cabin	\$ 18,538	\$ 15,000	\$ 3,538
Ticket - Premium products	Ticket - Premium products	9,151	6,648	2,503	38	% products	14,263	11,005	3,258
Loyalty travel awards	Loyalty travel awards	1,645	1,287	358	28	% awards	2,547	2,073	474
Travel-related services	Travel-related services	903	819	84	10	% services	1,387	1,251	136
Passenger revenue	Passenger revenue	\$ 23,616	\$ 17,865	\$ 5,751	32	Passenger % revenue	\$ 36,735	\$ 29,329	\$ 7,406
Cargo	Cargo	381	561	(180)	(32)	% Cargo	535	801	(266)
Other	Other	4,340	4,747	(407)	(9)	% Other	6,555	7,017	(462)
Total operating revenue	Total operating revenue	\$ 28,337	\$ 23,173	\$ 5,164	22	Total operating % revenue	\$ 43,825	\$ 37,147	\$ 6,678
TRASM (cents)	TRASM (cents)	21.74 ¢	20.93 ¢	0.81 ¢	4	TRASM % (cents)	21.53 ¢	21.38 ¢	0.15 ¢
Third-party refinery sales <sup>(2)</sup>	Third-party refinery sales <sup>(2)</sup>	(1.44)	(2.44)	1.00	(41)	Third-party refinery % sales <sup>(2)</sup>	(1.38)	(2.20)	0.82
TRASM, adjusted	TRASM, adjusted	20.30 ¢	18.49 ¢	1.81 ¢	10	TRASM, % adjusted	20.14 ¢	19.18 ¢	0.96 ¢

<sup>(1)</sup> Total amounts in the table above may not calculate exactly due to rounding.

<sup>(2)</sup> TRASM, adjusted is a non-GAAP financial measure. For additional information on adjustments to TRASM, see "Supplemental Information" below.

Unless otherwise discussed below, the changes in total revenue line items, as well as the underlying reasons for these changes, compared to the six nine months ended June 30, 2022 September 30, 2022 are consistent with the discussion above under Results of Operations - Three Months Ended June 30, 2023 September 30, 2023 and 2022.

Compared to the six nine months ended June 30, 2022 September 30, 2022, our total revenue increased \$5.2 billion \$6.7 billion, or 22% 18%, due primarily to strength in travel demand on higher capacity and higher yield. The increase in total revenue, on an 18% increase in capacity, resulted in a 4% increase in TRASM and a 10% increase in TRASM, adjusted compared to the six months ended June 30, 2022.

**Passenger Revenue by Geographic Region**

(in millions)	(in millions)	Increase (Decrease) vs. Six Months Ended June 30, 2022						Increase (Decrease) vs. Nine Months Ended September 30, 2022					
		Six Months Ended June 30, 2023	Passenger Revenue	RPMs (Traffic)	ASMs (Capacity)	Passenger Mile Yield	Load Factor	(in millions)	Passenger Revenue	RPMs (Traffic)	ASMs (Capacity)	Passenger Mile Yield	Load Factor
Domestic	Domestic	\$ 16,538	19 %	10 %	8 %	8 %	10 %	2 pts	Domestic	\$ 25,200	14 %	11 %	9 %
Atlantic	Atlantic	4,047	81 %	56 %	46 %	16 %	24 %	5 pts	Atlantic	7,157	57 %	40 %	36 %

Latin America	Latin America	2,058	44 %	19 %	9 %	21 %	32 %	7 pts	Latin America	2,846	37 %	20 %	12 %	14 %	22 %	6 pts
Pacific	Pacific	973	205 %	233 %	105 %	(8) %	49 %	31 pts	Pacific	1,532	133 %	144 %	92 %	(5) %	22 %	17 pts
Total	Total	\$ 23,616	32 %	22 %	18 %	8 %	12 %	4 pts	Total	\$ 36,735	25 %	20 %	17 %	4 %	7 %	3 pts

Domestic passenger unit revenue for the six nine months ended June 30, 2023 September 30, 2023 increased compared to the six nine months ended June 30, 2022 September 30, 2022 as a result of the higher levels of capacity and yield during the six nine months ended June 30, 2023 September 30, 2023 due to strong demand in the period. International passenger revenue for the six nine months ended June 30, 2023 September 30, 2023 increased 78% 58% on 40% 35% higher capacity compared to the six nine months ended June 30, 2022 September 30, 2022 due to U.S. consumer demand for international travel, travel and the removal of travel restrictions.

#### Other Revenue

(in millions)	(in millions)	Six Months Ended June 30,		Increase (Decrease)	% Increase (Decrease)	Nine Months Ended September 30,		Increase (Decrease)	% Increase (Decrease)
		2023	2022			2023	2022		
Refinery	Refinery	\$ 1,882	\$ 2,700	\$ (818)	(30) %	Refinery	\$ 2,817	\$ 3,835	\$ (1,018) (27) %
Loyalty program	Loyalty program	1,500	1,221	279	23 %	Loyalty program	2,291	1,877	414 22 %
Ancillary businesses	Ancillary businesses	445	416	29	7 %	Ancillary businesses	657	665	(8) (1) %
Miscellaneous	Miscellaneous	513	410	103	25 %	Miscellaneous	790	640	150 23 %
Other revenue	Other revenue	\$ 4,340	\$ 4,747	\$ (407)	(9) %	Other revenue	\$ 6,555	\$ 7,017	\$ (462) (7) %

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#### Item 2. MD&A - Results of Operations

#### Operating Expense

(in millions)	(in millions)	Six Months Ended June 30,		Increase (Decrease)	% Increase (Decrease)	Nine Months Ended September 30,		Increase (Decrease)	% Increase (Decrease) <sup>(1)</sup>
		2023	2022			2023	2022		
Salaries and related costs	Salaries and related costs	\$ 7,078	\$ 5,782	\$ 1,296	22 %	Salaries and related costs	\$ 10,838	\$ 8,832	\$ 2,006 23 %
Aircraft fuel and related taxes	Aircraft fuel and related taxes	5,192	5,315	(123)	(2) %	Aircraft fuel and related taxes	8,128	8,633	(505) (6) %
Ancillary businesses and refinery	Ancillary businesses and refinery	2,298	3,100	(802)	(26) %	Ancillary businesses and refinery	3,427	4,449	(1,022) (23) %
Contracted services	Contracted services	2,004	1,544	460	30 %	Contracted services	3,009	2,425	584 24 %
Landing fees and other rents	Landing fees and other rents	1,201	1,050	151	14 %	Landing fees and other rents	1,880	1,611	269 17 %
Aircraft maintenance materials and outside repairs	Aircraft maintenance materials and outside repairs	1,199	988	211	21 %	Aircraft maintenance materials and outside repairs	1,860	1,474	386 26 %
Passenger commissions and other selling expenses	Passenger commissions and other selling expenses	1,152	838	314	37 %	Passenger commissions and other selling expenses	1,770	1,385	385 28 %
Depreciation and amortization	Depreciation and amortization	1,137	1,016	121	12 %	Depreciation and amortization	1,731	1,554	177 11 %

Regional carrier expense	Regional carrier expense	1,117	1,018	99	10	% expense	1,664	1,547	117	8	%
<b>Pilot agreement and related expenses</b>											
Passenger service	Passenger service	864	—	864	NM	Passenger % service	1,307	1,050	257	24	%
Profit sharing	Profit sharing	667	54	613	NM	Profit sharing	1,084	291	793	NM	
Pilot agreement and related expenses						Pilot agreement and related expenses	864	—	864	NM	
Aircraft rent	Aircraft rent	264	249	15	6	% Aircraft rent	395	380	15	4	%
Other	Other	1,090	840	250	30	% Other	1,669	1,325	344	26	%
Total operating expense	Total operating expense	\$ 26,122	\$ 22,438	\$ 3,684	16	% expense	\$ 39,626	\$ 34,956	\$ 4,670	13	%

(i) Certain variances are labeled as not meaningful ("NM") throughout management's discussion and analysis.

Unless otherwise discussed below, the changes in operating expense line items, as well as the underlying reasons for these changes, compared to the six nine months ended June 30, 2022 September 30, 2022 are consistent with the discussion above under Results of Operations - Three Months Ended June 30, 2023 September 30, 2023 and 2022.

**Aircraft Fuel and Related Taxes.** Fuel expense Aircraft fuel and related taxesdecreased \$123 million \$505 million compared to the six nine months ended June 30, 2022 September 30, 2022 due to an 18% a 19% decrease in the market price per gallon of jet fuel partially offset by a 17% 16% increase in consumption on an 18% a 17% increase in capacity. The refinery also provided a benefit of 13 cents per gallon compared to a benefit of 20 cents per gallon in the nine months ended September 30, 2022.

See "Refinery Segment" below for additional details on the refinery's operations.

#### Fuel expense and average price per gallon

(in millions, except per gallon data)	Average Price Per Gallon						(in millions, except per gallon data)	Average Price Per Gallon						
	Six Months Ended June 30,			Nine Months Ended September 30,				Six Months Ended June 30,			Nine Months Ended September 30,			
	2023	2022	Increase	2023	2022	Increase		2022	(Decrease)	2023	2022	(Decrease)	Increase	
Fuel purchase cost <sup>(1)</sup>	\$5,497	\$5,715	\$ (218)	\$2.91	\$3.54	\$ (0.63)	Fuel purchase cost <sup>(1)</sup>	\$8,572	(Decrease)	\$9,189	\$ (617)	(Decrease)	\$2.91	\$ (0.70)
Fuel hedge impact	(39)	(77)	38	(0.02)	(0.05)	0.03	Fuel hedge impact	(59)	(41)	(18)	(0.02)	(0.02)	—	
Refinery segment impact	(266)	(323)	57	(0.14)	(0.20)	0.06	Refinery segment impact	(385)	(515)	130	(0.13)	(0.20)	0.07	
Total fuel expense	\$5,192	\$5,315	\$ (123)	\$2.75	\$3.29	\$ (0.54)	Total fuel expense	\$8,128	\$8,633	\$ (505)	\$2.76	\$3.39	\$ (0.63)	

(i) Market price for jet fuel at airport locations, including related taxes and transportation costs.

**Passenger Service.** Passenger service expenses increased compared to the prior period due to higher volume-related expenses associated with increased demand and expanded onboard service offerings.

**Pilot agreement and related expenses.** In addition to the items in salaries and related costs above under Results of Operations - Three Months Ended September 30, 2023 and 2022, the recently ratified pilot agreement also includes a provision for a one-time payment made upon ratification in the March 2023 quarter of \$735 million. Additionally, we recorded adjustments to other benefit-related items of approximately \$130 million.

Item 2. MD&A - Non-Operating Results

**Non-Operating Results**

(in millions)	(in millions)	Three Months Ended June 30,		Favorable	Six Months Ended June 30,		Favorable	(in millions)	Three Months Ended September 30,		Favorable	Nine Months Ended September 30,		Favorable				
		2023	2022		(Unfavorable)	2023	2022		2023	2022		2023	2022					
Interest expense, net	Interest expense, net	\$ (203)	\$ (269)	\$	66	\$ (430)	\$ (543)	\$	113	net	\$ (196)	\$ (248)	\$	52	\$ (627)	\$ (791)	\$	164
Gain/(loss) on investments, net	Gain/(loss) on investments, net	128	(221)		349	251	(368)		619	Gain/(loss) on investments, net	(206)	(245)		39	45	(613)		658
Loss on extinguishment of debt	Loss on extinguishment of debt	(29)	(41)		12	(50)	(66)		16	Loss on extinguishment of debt	(13)	(34)		21	(63)	(100)		37
Pension and related (expense)/benefit	Pension and related (expense)/benefit	(61)	73		(134)	(122)	145		(267)	Pension and related (expense)/benefit	(61)	73		(134)	(183)	218		(401)
Miscellaneous, net	Miscellaneous, net	(9)	(28)		19	(52)	(70)		18	Miscellaneous, net	13	(40)		53	(38)	(111)		73
Total non-operating expense, net	Total non-operating expense, net	\$ (174)	\$ (486)	\$	312	\$ (403)	\$ (902)	\$	499	Total non-operating expense, net	\$ (463)	\$ (494)	\$	31	\$ (866)	\$ (1,397)	\$	531

**Interest expense, net.** Interest expense, net includes interest expense and interest income. This decreased compared to the prior year period as a result of increased interest income and reduced interest expense resulting from our debt reduction initiatives. Interest income increased as a result of higher interest rates and higher short-term investment balances throughout 2023. During 2022, we made payments of approximately \$4.5 billion related to our debt and finance lease obligations which included approximately \$2.3 billion of early repayment activity. We have continued to pay down our debt during the nine months ended June 30, 2023 September 30, 2023 with \$3.0 billion of payments on debt and finance lease obligations, including \$1.1 billion of principal amounts for the early repurchase of various secured and unsecured notes and a portion of the SkyMiles Term Loan on the open market and early principal repayments of \$585 million on various notes secured by aircraft. Approximately \$1.4 billion of the early repurchases and repayments were scheduled to mature after 2023 obligations. We continue to seek opportunities to pre-pay our debt, in addition to periodic amortization and scheduled maturities.

**Gain/(loss) on investments, net.** Changes in the valuation of investments accounted for at fair value are recorded in gain/(loss) on investments, net and are driven by changes in stock prices, foreign currency fluctuations and other valuation techniques for investments in certain companies, particularly those without publicly-traded shares. See Note 4 of the Notes to the Condensed Consolidated Financial Statements for additional information on our equity investments measured at fair value on a recurring basis.

**Loss on extinguishment of debt.** Loss on extinguishment of debt reflects the losses incurred in the early repayment of the notes mentioned above, certain loans and notes.

**Pension and related (expense)/benefit.** Pension and related (expense)/benefit reflects the net periodic (cost)/benefit of our pension and other postretirement and postemployment benefit plans. The unfavorable year-over-year change in pension and related (expense)/benefit results from lower expected return on plan assets during 2023. This is due to lower plan asset balances as of December 31, 2022, compared to December 31, 2021, primarily resulting from investment value declines in 2022 consistent with the broader stock market, financial markets.

**Miscellaneous, net.** Miscellaneous, net primarily includes foreign exchange gains/(losses), charitable contributions and our share of our equity method investments net results.

**Income Taxes**

We project our annual effective tax rate for 2023 will be between 22% and 25%. Our effective tax rate in 2023 may be impacted by mark-to-market adjustments on our equity investments. In certain interim periods, we may have adjustments to our net deferred tax assets as a result of changes in prior year estimates, changes in our mark-to-market equity investments and tax laws enacted during the period, which will impact the effective tax rate for that interim period.

**Refinery Segment**

The refinery operated by Monroe primarily produces gasoline, diesel and jet fuel. Monroe exchanges the non-jet fuel products the refinery produces with third parties for jet fuel consumed in our airline operations. The jet fuel produced and procured through exchanging gasoline and diesel fuel produced by the refinery provided approximately 200,000 barrels per day, or approximately 75% of our consumption, for use in our airline operations.

Item 2. MD&A - Refinery Segment

												Refinery segment financial information		
(in millions, except per gallon data)	Three Months Ended June 30,			Six Months Ended June 30,			Three Months Ended September 30,			Nine Months Ended September 30,				
	(in millions, except per gallon data)	2023	2022	(Decrease)	2023	2022	(Decrease)	2023	2022	(Decrease)	2023	2022	(Decrease)	
Exchange products	Exchange products	\$ 618	\$ 982	\$ (364)	\$ 1,330	\$ 1,791	\$ (461)	\$ 519	\$ 834	\$ (315)	\$ 1,848	\$ 2,623	\$ (775)	
Sales of refined products	Sales of refined products	89	96	(7)	215	122	93	47	127	(80)	263	250	13	
Sales to airline segment	Sales to airline segment	365	761	(396)	961	1,053	(92)	385	504	(119)	1,346	1,557	(211)	
Third party refinery sales	Third party refinery sales	965	1,514	(549)	1,882	2,700	(818)	935	1,134	(199)	2,817	3,835	(1,018)	
Operating revenue	Operating revenue	\$ 2,037	\$ 3,353	\$ (1,316)	\$ 4,388	\$ 5,666	\$ (1,278)	\$ 1,886	\$ 2,599	\$ (713)	\$ 6,274	\$ 8,265	\$ (1,991)	
Operating income	Operating income	\$ 44	\$ 269	\$ (225)	\$ 266	\$ 323	\$ (57)	\$ 119	\$ 192	\$ (73)	\$ 385	\$ 515	\$ (130)	
Refinery segment impact on airline average price per fuel gallon	Refinery segment impact on airline average price per fuel gallon	\$ (0.04)	\$ (0.31)	\$ 0.27	\$ (0.14)	\$ (0.20)	\$ 0.06	\$ (0.11)	\$ (0.21)	\$ 0.10	\$ (0.13)	\$ (0.20)	\$ 0.07	

The refinery generated lower operating income in the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023** compared to the three and **six** **nine** months ended **June 30, 2022** **September 30, 2022**, as a result of lower pricing.

Starting in mid-September 2023, the refinery is scheduled to complete a planned maintenance event ("turnaround") began the turnaround that is performed once every five years in accordance with the long-term maintenance plan of the facility to allow for safe completion of major repairs and upgrades. The turnaround is expected to take approximately two months conclude in mid-November 2023 and during this until that time there will be no production at the refinery.

A refinery is subject to annual U.S. Environmental Protection Agency ("EPA") requirements to blend renewable fuels into the gasoline and on-road diesel fuel it produces. Alternatively, a refinery may purchase RINs from third parties in the secondary market. The Monroe refinery purchases the majority of its RINs in the secondary market. Observable RINs prices declined slightly since the beginning of 2023 through **June 30, 2023** **September 30, 2023** and Monroe incurred **\$105 million** **\$80 million** and **\$207 million** **\$287 million** in RINs compliance costs during the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023**, respectively, compared to **\$223 million** **\$140 million** and **\$308 million** **\$448 million** in the three and **six** **nine** months ended **June 30, 2022** **September 30, 2022**.

As of June 30, 2023 At September 30, 2023, we had **no** a net fair value obligation **outstanding** of \$9 million related to RINs compliance costs. Our obligation is as of September 30, 2023 was calculated using the Renewable Fuel Standard ("RFS") volume requirements, which were finalized in 2022 for the 2021 and 2022 obligations, and proposed in 2022 for 2023 obligations. In the March 2023 quarter, we settled a portion of our 2021 RINs obligation with the EPA. We expect to settle the remaining 2021 and our entire 2022 RINs obligation by the 2022 compliance deadline in the December 2023 quarter.

For more information regarding the refinery's results, see Note 9 of the Notes to the Condensed Consolidated Financial Statements.

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## Operating Statistics

Consolidated <sup>(1)</sup>	Three Months Ended June 30,		% Increase (Decrease)
	2023	2022	
Revenue passenger miles (in millions) ("RPM")	60,804	51,519	18 %
Available seat miles (in millions) ("ASM")	68,993	58,903	17 %
Passenger mile yield	21.72 ¢	21.27 ¢	2 %
Passenger revenue per available seat mile ("PRASM")	19.14 ¢	18.60 ¢	3 %
Total revenue per available seat mile ("TRASM")	22.58 ¢	23.47 ¢	(4) %
TRASM, adjusted <sup>(2)</sup>	21.18 ¢	20.90 ¢	1 %
Cost per available seat mile ("CASM")	18.97 ¢	20.89 ¢	(9) %
CASM-Ex <sup>(2)</sup>	13.06 ¢	12.76 ¢	2 %
Passenger load factor	88 %	87 %	1 pt
Fuel gallons consumed (in millions)	997	863	16 %
Average price per fuel gallon <sup>(3)</sup>	\$ 2.52	\$ 3.74	(33) %
Average price per fuel gallon, adjusted <sup>(2)(3)</sup>	\$ 2.52	\$ 3.82	(34) %

Consolidated <sup>(1)</sup>	Six Months Ended June 30,			% Increase (Decrease)	Three Months Ended September 30,			% Increase (Decrease)	Nine Months Ended September 30,			% Increase (Decrease)
	Consolidated <sup>(1)</sup>	2023	2022		Consolidated <sup>(1)</sup>	2023	2022		2023	2022	2022	
Revenue passenger miles (in millions) ("RPM")	Revenue passenger miles (in millions) ("RPM")	110,491	90,218	22 %	Revenue passenger miles (in millions) ("RPM")	64,095	54,786	17 %	174,586	145,004	20 %	
Available seat miles (in millions) ("ASM")	Available seat miles (in millions) ("ASM")	130,345	110,713	18 %	Available seat miles (in millions) ("ASM")	73,226	63,007	16 %	203,571	173,720	17 %	
Passenger mile yield	Passenger mile yield	21.37 ¢	19.80 ¢	8 %	Passenger mile yield	20.47 ¢	20.93 ¢	(2) %	21.04 ¢	20.23 ¢	4 %	
Passenger revenue per available seat mile ("PRASM")	Passenger revenue per available seat mile ("PRASM")	18.12 ¢	16.14 ¢	12 %	Passenger revenue per available seat mile ("PRASM")	17.92 ¢	18.19 ¢	(1) %	18.05 ¢	16.88 ¢	7 %	
Total revenue per available seat mile ("TRASM")	Total revenue per available seat mile ("TRASM")	21.74 ¢	20.93 ¢	4 %	Total revenue per available seat mile ("TRASM")	21.15 ¢	22.18 ¢	(5) %	21.53 ¢	21.38 ¢	1 %	
TRASM, adjusted <sup>(2)</sup>	TRASM, adjusted <sup>(2)</sup>	20.30 ¢	18.49 ¢	10 %	TRASM, adjusted <sup>(2)</sup>	19.87 ¢	20.38 ¢	(2.5) %	20.14 ¢	19.18 ¢	5 %	
Cost per available seat mile ("CASM")	Cost per available seat mile ("CASM")	20.04 ¢	20.27 ¢	(1) %	Cost per available seat mile ("CASM")	18.44 ¢	19.87 ¢	(7) %	19.47 ¢	20.12 ¢	(3) %	
CASM-Ex <sup>(2)</sup>	CASM-Ex <sup>(2)</sup>	13.44 ¢	12.98 ¢	4 %	CASM-Ex <sup>(2)</sup>	12.59 ¢	12.43 ¢	1.3 %	13.13 ¢	12.78 ¢	3 %	
Passenger load factor	Passenger load factor	85 %	81 %	4 pts	Passenger load factor	88 %	87 %	1 pt	86 %	83 %	3 pts	
Fuel gallons consumed (in millions)	Fuel gallons consumed (in millions)	1,885	1,613	17 %	Fuel gallons consumed (in millions)	1,062	930	14 %	2,947	2,543	16 %	

Average price per fuel gallon <sup>(3)</sup>	Average price per fuel gallon <sup>(3)</sup>	\$ 2.75	\$ 3.29	(16) %	Average price per fuel gallon <sup>(3)</sup>	\$ 2.76	\$ 3.57	(23) %	\$ 2.76	\$ 3.39	(19) %
Average price per fuel gallon, adjusted <sup>(2)(3)</sup>	Average price per fuel gallon, adjusted <sup>(2)(3)</sup>	\$ 2.77	\$ 3.34	(17) %	Average price per fuel gallon, adjusted <sup>(2)(3)</sup>	\$ 2.78	\$ 3.53	(21) %	\$ 2.78	\$ 3.41	(18) %

(1) Includes the operations of our regional carriers under capacity purchase agreements.

(2) Non-GAAP financial measures defined and reconciled to TRASM, CASM and average fuel price per gallon, respectively, in "Supplemental Information" below.

(3) Includes the impact of fuel hedge activity and refinery segment results.

*Item 2. MD&A - Fleet Information*

**Fleet Information**

Our operating aircraft fleet, purchase commitments and options at **June 30, 2023** **September 30, 2023** are summarized in the following table.

Mainline aircraft information by fleet type													
Fleet Type	Fleet Type	Current Fleet <sup>(1)</sup>				Commitments			Current Fleet <sup>(1)</sup>				Commitments
		Average				Purchase Options	Type	Average				Purchase Options	
		Owned	Lease	Lease	Total			Owned	Lease	Lease	Total		
A220-100	A220-100	41	4	—	45	3.5		A220-100	41	4	—	45	3.8
A220-300	A220-300	16	—	—	16	1.7	70	A220-300	18	—	—	18	1.8
A319-100	A319-100	57	—	—	57	21.3		A319-100	57	—	—	57	21.6
A320-200	A320-200	61	—	—	61	27.8		A320-200	60	—	—	60	28.0
A321-200	A321-200	63	22	42	127	4.5		A321-200	63	22	42	127	4.8
A321-200neo	A321-200neo	35	—	—	35	0.5	120	A321-200neo	42	—	—	42	0.7
A330-200	A330-200	11	—	—	11	18.2		A330-200	11	—	—	11	18.5
A330-300	A330-300	28	—	3	31	14.4		A330-300	28	—	3	31	14.7
A330-900neo	A330-900neo	14	3	5	22	1.9	17	A330-900neo	15	3	5	23	2.1
A350-900	A350-900	17	—	11	28	4.6	16	A350-900	17	—	11	28	4.8
B-717-200	B-717-200	10	57	2	69	21.8		B-717-200	10	62	2	74	22.0
B-737-800	B-737-800	73	4	—	77	21.8		B-737-800	73	4	—	77	22.0
B-737-900ER	B-737-900ER	113	1	49	163	7.5		B-737-900ER	114	—	49	163	7.7
B-737-10	B-737-10	—	—	—	—	—	100	B-737-10	—	—	—	—	—
B-757-200	B-757-200	100	—	—	100	25.9		B-757-200	100	—	—	100	26.1

(1) Includes both active and temporarily parked aircraft. Excludes certain aircraft we own or lease that are operated by regional carriers on our behalf shown in the table below.

The table below summarizes the aircraft operated by regional carriers on our behalf at **June 30, 2023** **September 30, 2023**. In the June 2023 quarter, we retired all remaining CRJ-200 aircraft from service.

## Regional aircraft information by fleet type and carrier

Carrier	Fleet Type <sup>(1)</sup>						Fleet Type <sup>(1)</sup>					
	CRJ-		CRJ-		Embraer		CRJ-		CRJ-		Embraer	
	Carrier	700	900	170	175	Total	Carrier	700	900	170	175	Total
Endeavor	Endeavor						Endeavor					
Air, Inc. <sup>(2)</sup>	Air, Inc. <sup>(2)</sup>	18	123	—	—	141	Air, Inc. <sup>(2)</sup>	18	123	—	—	141
SkyWest	SkyWest						SkyWest					
Airlines,	Airlines,						Airlines,					
Inc.	Inc.	6	38	—	83	127	Inc.	6	39	—	83	128
Republic	Republic						Republic					
Airways,	Airways,						Airways,					
Inc.	Inc.	—	—	11	46	57	Inc.	—	—	11	46	57
Total	Total	24	161	11	129	325	Total	24	162	11	129	326

<sup>(1)</sup> Includes both active and temporarily parked aircraft. We own 205 and have operating leases for three of these regional aircraft. The remainder are owned or leased by SkyWest Airlines, Inc. or Republic Airways, Inc.

(2) Endeavor Air, Inc. is a wholly owned subsidiary of Delta.

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## Item 2. MD&A - Financial Condition and Liquidity

## Financial Condition and Liquidity

As of **June 30, 2023** **September 30, 2023**, we had **\$8.8 billion** **\$7.8 billion** in cash, cash equivalents, short-term investments and aggregate undrawn principal amount available under our revolving credit facilities ("liquidity"). We expect to meet our liquidity needs for the next twelve months with cash and cash equivalents, short-term investments and cash flows from operations. We expect to meet our long-term liquidity needs with cash flows from operations and financing arrangements.

*Undrawn Lines of Credit.* As of June 30, 2023 September 30, 2023, we had approximately \$2.8 billion undrawn and available under our revolving credit facilities. In addition, we had approximately \$400 million outstanding letters of credit as of June 30, 2023 September 30, 2023 that did not affect the availability of our revolving credit facilities.

## **Sources and Uses of Liquidity**

### *Operating Activities*

We generated cash flows from operations of \$4.8 billion \$5.9 billion and \$4.3 billion \$5.2 billion in the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively. We expect to continue generating positive cash flows from operations during the remainder of 2023.

Our operating cash flow is impacted by the following factors:

*Seasonality of Advance Ticket Sales.* We sell tickets for air travel in advance of the customer's travel date. When we receive a cash payment at the time of sale, we record the cash received on advance sales as deferred revenue in air traffic liability. The air traffic liability typically increases during the winter and spring months as advance ticket sales grow prior to the summer peak travel season and decreases during the summer and fall months. We continue to see a shift in customers purchasing flights further in advance compared to historical patterns, enhancing the positive cash flow from advance ticket sales.

*Fuel.* Fuel expense represented approximately 20% 21% and 24% 25% of our total operating expense for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively. The market price for jet fuel is volatile which can impact the comparability of our periodic cash flows from operations. Although the average fuel price per gallon

decreased during the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, fuel costs remain high compared to historical levels. We expect jet fuel prices to remain volatile throughout **2023**, the remainder of 2023 and into 2024. Fuel consumption was also higher during the **six** **nine** months ended **June 30, 2023** **September 30, 2023** compared to the prior year period due to the increase in capacity. We continue to expect that fuel consumption for the full year 2023 will continue to increase throughout **2023** be higher compared to 2022, as we **plan** **anticipate** capacity for our the full year system capacity to continue to increase in comparison to be higher than 2022, partially offset by increases in the fuel efficiency of our fleet.

*Profit Sharing.* Our broad-based employee profit sharing program provides that for each year in which we have an annual pre-tax profit, as defined by the terms of the program, we will pay a specified portion of that profit to employees. In determining the amount of profit sharing, the program defines profit as pre-tax profit adjusted for profit sharing and certain other items. During the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, we accrued **\$667 million** **\$1.1 billion** in profit sharing expense based on the year-to-date performance and current expectations for 2023 profit.

We paid \$563 million in profit sharing in February 2023 related to our 2022 pre-tax profit in recognition of our employees' contributions toward achieving the year's financial results.

*Pilot Agreement Payment.* In the March 2023 quarter, Delta pilots ratified a new four-year Pilot Working Agreement effective January 1, 2023. The agreement includes numerous work rule changes and pay rate increases during the four-year term, including an initial pay rate increase of 18%. The agreement also includes a provision for a one-time payment made upon ratification in the March 2023 quarter of \$735 million.

*Sale of Miles to Participating Companies.* Customers earn miles based on their spending with participating companies such as credit card companies, hotels, car rental agencies and ridesharing companies with which we have marketing agreements to sell miles. Payments are typically due to us monthly based on the volume of miles sold during the period. Our most significant contract to sell miles relates to our co-brand credit card relationship with American Express. Total cash sales to American Express were **\$3.4** **\$5.1** billion in the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, an increase of **approximately 30%** **26%** compared to the prior year period.

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#### Item 2. MD&A - Financial Condition and Liquidity

##### Investing Activities

*Short-Term Investments.* During the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, we **purchased** **redeemed** a net of **\$50 million** **\$1.2 billion** in short-term investments. See Note 3 of the Notes to the Condensed Consolidated Financial Statements for further information on these investments.

*Capital Expenditures.* Our capital expenditures were **\$2.5 billion** **\$3.7 billion** and **\$2.7 billion** **\$4.2 billion** for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** and 2022, respectively. Our capital expenditures are primarily related to the purchases of aircraft, airport construction projects, fleet modifications and technology enhancements.

We have committed to future aircraft purchases and have obtained, but are under no obligation to use, long-term financing commitments for a substantial portion of the purchase price of the aircraft. Excluding the New York-LaGuardia airport project discussed below, our expected 2023 capital spend of approximately \$5.5 billion will be primarily for aircraft, including deliveries and advance deposit payments, as well as fleet modifications and technology enhancements and may vary depending on financing decisions.

*New York-LaGuardia Redevelopment.* As part of the terminal redevelopment project at LaGuardia Airport, we are partnering with the Port Authority of New York and New Jersey to replace Terminals C and D with a new state-of-the-art terminal facility. Construction is ongoing and is being phased to limit passenger inconvenience. Due to an acceleration effort that commenced in 2020, completion is expected by 2025.

We currently expect our net project costs to be approximately \$4.3 billion and we bear the risks of project construction, including any potential cost over-runs. Using funding primarily provided by existing financing arrangements and other sources of funding, we expect to spend approximately \$500 million on this project during 2023, of which **\$213 million** **\$354 million** was incurred in the **six** **nine** months ended **June 30, 2023** **September 30, 2023**.

*Los Angeles International Airport ("LAX").* We have an ongoing terminal redevelopment project at LAX to modernize, update and provide post-security connection to Terminals 2 and 3. Construction is expected to be completed by the end of 2023 with a total cost of approximately \$2.4 billion. A substantial majority of the project costs are being funded through the Regional Airports Improvement Corporation ("RAIC"), a California public benefit corporation, using a revolving credit facility provided by a group of lenders. We have guaranteed the obligations of the RAIC under the credit facility and the revolving credit facility agreement was most recently amended in the March 2023 quarter, decreasing the revolver capacity to \$700 million. In the June 2023 quarter, the revolving credit facility agreement capacity was reduced to \$626 million.

*Wheels Up.* We, along with Certares Management LLC, Knighthead Capital Management LLC and Cox Enterprises, Inc. announced the closing on September 20, 2023 of an expanded strategic partnership with Wheels Up, which includes an agreement for a \$500 million credit facility to Wheels Up. At closing, the credit facility was comprised of a \$350 million term loan, of which we contributed \$150 million, and a \$100 million liquidity facility that we made available to Wheels Up in the event the company's liquidity falls below \$100 million. The terms of the credit facility permit one or more new lenders to provide an aggregate incremental \$50 million term loan after the closing date. In connection with the closing, the term loan investors received newly issued shares of Wheels Up's common stock representing 80% of Wheels Up's outstanding equity as of the closing of the

credit facility on a fully diluted basis. Upon approval by Wheels Up's stockholders of an amendment to its certificate of incorporation, Wheels Up is expected to issue to the lenders additional new shares such that the lenders will own 95% of Wheels Up's outstanding equity as of the closing of the credit facility on a fully diluted basis.

The \$150 million cash contribution was reflected as an investing outflow in our Condensed Consolidated Statement of Cash Flows and allocated on a relative fair value basis to a loan receivable within other noncurrent assets and an equity investment on our balance sheet.

#### Financing Activities

**Debt and Finance Leases.** In the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, we had cash outflows of **\$3.0 billion** **\$3.7 billion** related to repayments of our debt and finance lease obligations, including **\$1.1** **\$1.4** billion of principal amounts for the early repurchase of various secured and unsecured notes and a portion of the SkyMiles Term Loan on the open market and early principal repayments of \$585 million on various notes secured by aircraft. Approximately **\$1.4 billion** **\$1.7 billion** of the early repurchases and repayments were scheduled to mature after 2023. We continue to seek opportunities to pre-pay our debt, in addition to periodic amortization and scheduled maturities.

In the March 2023 quarter, both Fitch and S&P credit rating agencies upgraded **the** **our** debt rating outlooks for Delta to stable and positive, respectively. In the September 2023 quarter, S&P upgraded our credit rating to BB+.

The principal amount of our debt and finance leases was **\$20.3 billion** **\$19.6 billion** at **June 30, 2023** **September 30, 2023**.

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#### Item 2. MD&A - Financial Condition and Liquidity

**Capital Return to Shareholders.** On June 15, 2023, the Board of Directors approved and we paid a quarterly dividend of \$0.10 per share on August 7, 2023.

On September 28, 2023, the Board of Directors approved and we will pay a quarterly dividend of \$0.10 per share on **August 7, 2023** **November 2, 2023** to shareholders of record as of **July 17, 2023** **October 12, 2023**.

**Covenants.** We were in compliance with the covenants in our debt agreements at **June 30, 2023** **September 30, 2023**.

#### Critical Accounting Estimates

There have been no material changes in our Critical Accounting Estimates from the information provided in the "Critical Accounting Estimates" section of "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Form 10-K.

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#### Item 2. MD&A - Supplemental Information

##### Supplemental Information

We sometimes use information (non-GAAP financial measures) that is derived from the Condensed Consolidated Financial Statements, but that is not presented in accordance with 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.

Included below are reconciliations of non-GAAP measures used within this Form 10-Q to the most directly comparable GAAP financial measures. Reconciliations below may not calculate exactly due to rounding. These reconciliations include certain adjustments to GAAP measures to provide comparability between the reported periods, if applicable, and for the reasons indicated below:

- **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.
- **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, and therefore we remove this impact to allow investors to better understand and analyze our core performance. Settlements represent cash received or paid on hedge contracts settled during the applicable period.
- **Restructuring charges.** During 2020, we recorded restructuring charges for items such as fleet impairments and voluntary early retirement and separation programs following strategic business decisions in response to the COVID-19 pandemic. During 2022, we recognized adjustments to certain of those restructuring charges, representing changes in our estimates.

- **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.
- **One-time pilot agreement expenses.** In the March 2023 quarter, Delta pilots ratified a new four-year Pilot Working Agreement effective January 1, 2023. The agreement includes numerous work rule changes and pay rate increases during the four-year term, including an initial pay rate increase of 18%. The agreement also includes a provision for a one-time payment made upon ratification in the March 2023 quarter of \$735 million. Additionally, we recorded adjustments to other benefit-related items of approximately \$130 million. Adjusting for these expenses allows investors to better understand and analyze our core cost performance.
- **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.

Total revenue, adjusted reconciliation									
		Three Months Ended June 30,		Three Months Ended September 30,					
(in millions)		2023	2022	(in millions)		2023	2022		
Total revenue	Total revenue	\$15,578	\$13,824	revenue	\$15,488	\$13,975			
Adjusted for:	Adjusted for:			Adjusted for:					
Third-party refinery sales	Third-party refinery sales	(965)	(1,514)	Third-party refinery sales	(935)	(1,134)			
Total revenue, adjusted	Total revenue, adjusted	\$14,613	\$12,311	adjusted	\$14,553	\$12,840			
Delta Air Lines, Inc.   June September 2023 Form 10-Q <span style="float: right;">32 33</span>									

Item 2. MD&A - Supplemental Information

Operating expense, adjusted reconciliation									
		Three Months Ended June 30,		Three Months Ended September 30,					
(in millions)		2023	2022	(in millions)		2023	2022		
Operating expense	Operating expense	\$13,087	\$12,305	Operating expense	\$13,504	\$12,519			
Adjusted for:	Adjusted for:			Adjusted for:					
MTM adjustments and settlements on hedges	MTM adjustments and settlements on hedges	(3)	73	MTM adjustments and settlements on hedges	21	(36)			
Third-party refinery sales	Third-party refinery sales	(965)	(1,514)	Third-party refinery sales	(935)	(1,134)			
Restructuring charges	Restructuring charges	—	1	Restructuring charges	—	(1)			
Operating expense, adjusted	Operating expense, adjusted	\$12,119	\$10,866	Operating expense, adjusted	\$12,590	\$11,348			

Fuel expense, adjusted reconciliation

(in millions, except per gallon data)	Average Price Per Gallon				Average Price Per Gallon					
	Three Months Ended June 30,		Three Months Ended June 30,		Three Months Ended September 30,		Three Months Ended September 30,			
	(in millions, except per gallon data)	2023	2022	(in millions, except per gallon data)	2023	2022	(in millions, except per gallon data)	2023	2022	
Total fuel expense	Total fuel expense	\$2,516	\$3,223	\$2.52	\$3.74	Total fuel expense	\$2,936	\$3,318	\$2.76	\$3.57
Adjusted for:	Adjusted for:					Adjusted for:				
MTM adjustments and settlements on hedges	MTM adjustments and settlements on hedges	(3)	73	—	0.08	MTM adjustments and settlements on hedges	21	(36)	0.02	(0.04)
Total fuel expense, adjusted	Total fuel expense, adjusted	\$2,513	\$3,296	\$2.52	\$3.82	Total fuel expense, adjusted	\$2,957	\$3,282	\$2.78	\$3.53
(in millions, except per gallon data)	Average Price Per Gallon				Average Price Per Gallon					
	Six Months Ended June 30,		Six Months Ended June 30,		Nine Months Ended September 30,		Nine Months Ended September 30,			
	(in millions, except per gallon data)	2023	2022	(in millions, except per gallon data)	2023	2022	(in millions, except per gallon data)	2023	2022	
Total fuel expense	Total fuel expense	\$5,192	\$5,315	\$2.75	\$3.29	Total fuel expense	\$8,128	\$8,633	\$2.76	\$3.39
Adjusted for:	Adjusted for:					Adjusted for:				
MTM adjustments and settlements on hedges	MTM adjustments and settlements on hedges	39	77	0.02	0.05	MTM adjustments and settlements on hedges	59	41	0.02	0.02
Total fuel expense, adjusted	Total fuel expense, adjusted	\$5,231	\$5,392	\$2.77	\$3.34	Total fuel expense, adjusted	\$8,188	\$8,674	\$2.78	\$3.41

#### TRASM, adjusted reconciliation

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,			
	2023	2022	2023	2022	2023	2022	2023	2022		
	TRASM (cents)	TRASM (cents)	TRASM (cents)	TRASM (cents)	TRASM (cents)	TRASM (cents)	TRASM (cents)	TRASM (cents)		
Adjusted for:	Adjusted for:			Adjusted for:		Adjusted for:		Adjusted for:		
Third- party refinery sales	Third- party refinery sales	(1.40)	(2.57)	(1.44)	(2.44)	Third- party refinery sales	(1.28)	(1.80)	(1.38)	(2.20)
TRASM, adjusted	TRASM, adjusted	21.18	20.90	20.30	18.49	TRASM, adjusted	19.87	20.38	20.14	19.18

**CASM-Ex reconciliation**

		Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,			
		2023		2022		2023		2022			
		CASM (cents)	CASM (cents)	18.97 ¢	20.89 ¢	20.04 ¢	20.27 ¢	CASM (cents)	18.44 ¢	19.87 ¢	19.47 ¢
Adjusted for:	Adjusted for:										
Aircraft fuel and related taxes	Aircraft fuel and related taxes										
Third-party refinery sales	Third-party refinery sales	(3.65)	(5.47)	(3.98)	(4.80)						
Profit sharing	Profit sharing	(1.40)	(2.57)	(1.44)	(2.44)						
One-time pilot agreement expenses	One-time pilot agreement expenses	(0.86)	(0.09)	(0.51)	(0.05)						
Restructuring charges		—	—	(0.66)	—						
CASM-Ex	CASM-Ex	13.06 ¢	12.76 ¢	13.44 ¢	12.98 ¢	CASM-Ex	12.59 ¢	12.43 ¢	13.13 ¢	12.78 ¢	

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*Item 2. MD&A - Supplemental Information*

**Free Cash Flow**

The following table shows a reconciliation of net cash provided by operating and investing activities (GAAP measures) to free cash flow (a non-GAAP financial measure). 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. Adjustments include:

- **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.** Certain cash flows related to our investments in and related transactions with other airlines and associated companies, including Wheels Up in the September 2023 quarter, 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 because management believes investors should be informed that a portion of these capital expenditures from airport construction projects are either reimbursed by a third party or funded with restricted cash specific to these projects.
- **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.

**Free cash flow reconciliation**

(in millions)	Three Months Ended <span style="color: #c00000;">June</span> <span style="color: #008000;">September</span> 30,	
	2023	
Net cash provided by operating activities	\$ 2,609	1,076
Net cash used in investing activities	(1,382)	(131)
Adjusted for:		
Net redemptions of short-term investments	(51)	(1,226)
Strategic investments and related		152
Net cash flows related to certain airport construction projects and other	81	40
Financed aircraft acquisitions		(162)
Free cash flow	\$ 1,094	(250)

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*Item 3. Market Risk***ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

There have been no material changes in market risk from the information provided in "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in our Form 10-K.

**ITEM 4. CONTROLS AND PROCEDURES**

Our management, including our Chief Executive Officer and Chief Financial Officer, performed an evaluation of our disclosure controls and procedures, which have been designed to permit us to effectively identify and timely disclose important information. Our management, including our Chief Executive Officer and Chief Financial Officer, concluded that the controls and procedures were effective as of June 30, 2023 September 30, 2023 to ensure that material information was accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

During the three months ended June 30, 2023 September 30, 2023, we did not make any changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II. OTHER INFORMATION****ITEM 1. LEGAL PROCEEDINGS**

"Item 3. Legal Proceedings" of our Form 10-K includes a discussion of our legal proceedings. There Except as described below, there have been no material changes from the legal proceedings described in our Form 10-K.

**Capacity Antitrust Litigation**

In July 2015, a number of purported class action antitrust lawsuits were filed alleging that Delta, American, United and Southwest had conspired to restrain capacity. The lawsuits were filed in the wake of media reports that the U.S. Department of Justice had served civil investigative demands upon these carriers seeking documents and information relating to this subject. The lawsuits have been consolidated into a single Multi-District Litigation proceeding in the U.S. District Court for the District of Columbia. In August 2023, the Court denied the defendants' motions for summary judgment that had been pending for over two years. In September 2023, we moved to certify the decision for an interlocutory appeal or for reconsideration. Briefing related to that motion will run through mid-November 2023, and class certification discovery will commence in the meantime. Delta believes the claims in these cases are without merit and is vigorously defending these lawsuits.

**ITEM 1A. RISK FACTORS**

"Item 1A. Risk Factors" of our Form 10-K includes a discussion of our known material risk factors, other than risks that could apply to any issuer or offering. There have been no material changes from the risk factors described in our Form 10-K.

Delta Air Lines, Inc. | September 2023 Form 10-Q 36*Item 2. Unregistered Sales of Equity Securities***ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

The following table presents information with respect to purchases of common stock we made during the **June** **September** 2023 quarter. The table reflects shares withheld from employees to satisfy certain tax obligations due in connection with grants of stock under the Delta Air Lines, Inc. Performance Compensation Plan (the "Plan"). The Plan provides for the withholding of shares to satisfy tax obligations. It does not specify a maximum number of shares that can be withheld for this purpose. The shares of common stock withheld to satisfy tax withholding obligations may be deemed to be "issuer purchases" of shares that are required to be disclosed pursuant to this item.

**Shares purchased / withheld from employee awards during the June 2023 quarter**

Period	Approximate Dollar Value (in millions) of		
	Total Number of Shares	Average Price Paid	Purchased as Part of Publicly
	Purchased	Per Share	Announced Plans
April 2023	4,305 \$	35.86	4,305 \$
May 2023	6,702 \$	35.35	6,702 \$
June 2023	4,251 \$	39.92	4,251 \$
<b>Total</b>	<b>15,258</b>		<b>15,258</b>

**Shares purchased / withheld from employee awards during the September 2023 quarter**

Period	Approximate Dollar Value (in millions) of		
	Total Number of Shares	Average Price Paid	Purchased as Part of Publicly
	Purchased	Per Share	Announced Plans
July 2023	24,298 \$	47.38	24,298 \$
August 2023	19,338 \$	45.23	19,338 \$
September 2023	13,392 \$	41.82	13,392 \$
<b>Total</b>	<b>57,028</b>		<b>57,028</b>

Delta Air Lines, Inc. | **June** **September** 2023 Form 10-Q

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**ITEM 6. EXHIBITS**

(a) Exhibits

3.1(a) [Delta's Amended and Restated Certificate of Incorporation \(Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on April 30, 2007\).\\*](#)

3.1 (b) [Amendment to Amended and Restated Certificate of Incorporation \(Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on June 27, 2014\).\\*](#)

3.2 [Delta's Bylaws \(Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on December 9, 2022\).\\*](#)

4.1 [Description of Registrant's Securities \(Filed as Exhibit 4.1 to Delta's Annual Report on Form 10-K for the year ended December 31, 2020\).\\*](#)

10.1 [Model Award Agreement for the Delta Air Lines, Inc. 2023 Long-Term Incentive Program.](#)

10.2 [Terms of 2023 Restricted Stock Awards for Non-Employee Directors.](#)

15 [Letter from Ernst & Young LLP regarding unaudited interim financial information.](#)

31.1 [Certification by Delta's Chief Executive Officer with respect to Delta's Quarterly Report on Form 10-Q for the quarterly period ended \*\*June\*\* \*\*September\*\* \*\*30\*\*, \*\*2023\*\*.](#)

31.2 [Certification by Delta's Chief Financial Officer with respect to Delta's Quarterly Report on Form 10-Q for the quarterly period ended \*\*June\*\* \*\*September\*\* \*\*30\*\*, \*\*2023\*\*.](#)

32 [Certification pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code by Delta's Chief Executive Officer and Chief Financial Officer with respect to Delta's Quarterly Report on Form 10-Q for the quarterly period ended \*\*June\*\* \*\*September\*\* \*\*30\*\*, \*\*2023\*\*.](#)

101.INS Inline XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.

101.SCH Inline XBRL Taxonomy Extension Schema Document

101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document

101.LAB Inline XBRL Taxonomy Extension Labels Linkbase Document

101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document

#### SIGNATURE

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 thereunto duly authorized.

Delta Air Lines, Inc.

(Registrant)

/s/ William C. Carroll

William C. Carroll

Senior Vice President - Controller

(Principal Accounting Officer)

**July 13, October 12, 2023**

**Exhibit 10.1**

#### DELTA AIR LINES, INC. 2023 LONG-TERM INCENTIVE PROGRAM AWARD AGREEMENT

**Date of this Agreement:**  
**Grant Date:**

##### **[Participant]**

This Award Agreement (the "**Agreement**") describes the terms of your long-term incentive program award (the "**Award**") under the Delta Air Lines, Inc. Performance Compensation Plan (the "**Plan**") for 2023 (the "**2023 LTIP**"). Capitalized terms that are used but not otherwise defined in this Agreement have the meaning set forth in the Plan. For this Award to remain effective, you must accept the Award in accordance with Section 9 on or before the date that is 30 calendar days after the date of this Agreement (the "**Acceptance Date**"). If you do not accept the Award as required, the Award and this Agreement will become void and of no further effect as of 5:00 p.m. Eastern Time on the Acceptance Date.

**1. Summary of Award.** Your Award will include a Performance Award, performance-based Restricted Stock Units ("**PRSUs**") [and a cash Award ("**Cash Award**")]/[Restricted Stock,] as described below. Terms applicable to your Award are included in Appendix A to this Agreement.

**(a) Performance Award.** You are hereby awarded, on the Grant Date above (the "**Grant Date**"), a Performance Award with a target value of [AMOUNT].

**(b) Performance Restricted Stock Units.** You are hereby awarded, on the Grant Date, [NUMBER] PRSUs ("**Target PRSU Award**").

**(c) Cash Award.** You are hereby awarded, on the Grant Date, a Cash Award in the amount of \$[AMOUNT].] OR

**[c] Restricted Stock.** You are hereby awarded, on the Grant Date, [NUMBER] Shares of Restricted Stock.]

**2. Restrictive Covenants.** In exchange for the Award, you hereby agree as follows:

**(a) Confidential or Proprietary Information**

**(i)** You acknowledge that, during the term of your employment with Delta Air Lines, Inc., its subsidiaries and/or affiliates ("**Delta**" or the "**Company**"), you had access to and acquired and will continue to have access to and acquire knowledge of, non-public, secret, confidential and proprietary documents, materials and other information, in tangible and intangible form (including, without limitation, retained mental impressions), of and relating to Delta and its businesses and existing and prospective customers, vendors, partners, investors and

associated third parties, and other persons and entities that have entrusted documents, materials or information to Delta in confidence (collectively "**Confidential or Proprietary Information**"). You hereby agree that you will hold in a fiduciary capacity for the benefit of Delta, and shall not directly or indirectly make use of, on your own behalf or on behalf of others, or disclose to any person, concern or entity, any Confidential or Proprietary Information, whether or not such Confidential or Proprietary Information was developed or compiled by you and whether or not you were previously authorized to access or use such Confidential or Proprietary Information. You understand and agree that Confidential or Proprietary Information developed or compiled by you in the course of your employment with Delta is subject to the terms and conditions of this Agreement as if Delta furnished the same Confidential or Proprietary Information to you in the first instance. You understand and acknowledge that your confidentiality obligations under this Agreement shall continue until five years

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after your Termination of Employment; *provided* that the confidentiality obligation for Confidential or Proprietary Information consisting of Trade Secrets (as defined in Section 2(b)) shall remain in effect for so long as governing law allows.

(ii) For purposes of this Agreement, Confidential or Proprietary Information includes, but is not limited to, any information not generally known to the public, in spoken, printed, electronic or any other form or medium, relating directly or indirectly to any of the following, whether related to Delta or any existing or prospective customers, vendors, partners, investors or associated third parties of Delta, or of any other person or entity that has entrusted information to Delta in confidence: Trade Secrets; business processes, practices, policies, procedures and methods of operation; product and service development plans and strategies; business development plans and strategies; research development plans and strategies; plans, strategies and agreements related to the sale of assets; marketing and sale of repair and maintenance of aircraft for third parties; marketing, alliance, advertising and sales plans and strategies; techniques, ideas, know-how, concepts, technologies, processes, inventions, discoveries, developments, drawings, sketches, notes, unpublished patent applications, reports and original works of authorship; software, data, databases, algorithms, experimental processes and results; manuals, records, device specifications and configurations; existing or prospective agreements, contracts, negotiations and associated terms, plans and strategies; alliance agreements, plans and processes; pricing information and lists; customer lists, information, plans and strategies; supplier and vendor lists, information, plans and strategies; financial and accounting information, records and projections; financial and advertising plans and strategies; personnel data; compensation and incentive programs for employees; personally identifiable information regarding employees, contractors, applicants and others; and training plans and strategies. You understand and acknowledge that the above list is not exhaustive and that Confidential or Proprietary Information also includes other information that is marked or otherwise identified or treated as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used.

(iii) The term "Confidential or Proprietary Information" does not include information that has: (A) become generally available to the public by the act of one who has the right to disclose such information; (B) been independently developed and disclosed by others; and (C) otherwise entered the public domain through lawful means. Nothing in this Agreement is intended, or shall be construed, to limit the protections of any applicable law protecting confidential or proprietary information.

(b) **Trade Secrets**

(i) You further acknowledge that, during the term of your employment with Delta, you had access to and acquired and will continue to have access to and acquire knowledge of, Confidential or Proprietary Information that fits within the definition of "trade secrets" under the law of the State of Georgia and/or the law of the United States, including, without limitation, information regarding Delta's present and future operations; its financial operations; research and development plans and strategies; marketing plans and strategies; alliance agreements and relationships; its compensation and incentive programs for employees; the business methods used by Delta and its employees and existing and prospective customers, vendors, consultants, partners, investors and other associated third parties; and other information which derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or

use, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (each, a "**Trade Secret**"). You hereby agree that, for so long as such information remains a Trade Secret as defined by Georgia law and/or the law of the United States, you will hold in a fiduciary capacity for the benefit of Delta and will not directly or indirectly make use of, on your own behalf or on behalf of others, any Trade Secret, or transmit, reveal or disclose any Trade Secret to any person, concern or entity. Nothing in this Agreement is intended, or shall be construed, to limit the protections of any applicable law protecting trade secrets.

(ii) You are notified by the virtue of this provision that the Defend Trade Secrets Act of 2016 (the "**DTSA**") provides for immunity from liability under any federal or state trade secret law for any confidential disclosure of a trade secret as defined by the DTSA that is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney if that disclosure is made solely for the purpose of reporting or investigating a suspected violation of law or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(c) **Employee/Customer Non-Solicitation Agreement.** During the term of your employment with Delta and during the two-year period following your Termination of Employment, you will not directly or indirectly (on your own behalf or on behalf of any other person, company, partnership, corporation or other entity) (i) employ or solicit for employment any individual who is a management or professional employee of Delta for employment with any entity or person other than Delta or encourage or induce any such person to terminate their employment with Delta or (ii) induce or attempt to induce any customer or prospective customer, supplier, licensee or other business relation of Delta to cease doing business with Delta or in any way interfere with the relationship between Delta and any customer, supplier, licensee or other business relation of Delta. The restrictions set forth in clause (i) shall be limited to those Delta management or professional employees who: (A) were employed by Delta during your employment in a supervisory or administrative job with Delta and (B) with whom you had material professional contact during your employment with Delta.

(d) **Non-Competition Agreement**

(i) You acknowledge and agree with the following:

- (A) Delta competes in a worldwide air transportation market that includes passenger transportation and services, air cargo services, repair and maintenance of aircraft for third parties, vacation wholesale and refinery operations, and Delta's business is both domestic and international in scope;
- (B) the airlines listed or described below and the related businesses listed on Exhibit 1 hereto are particular competitors to Delta and your employment or consulting with any of the listed or described entities would create more harm to Delta than would your possible employment or consulting with other companies;
- (C) you have been and are closely involved in the planning for or the direction of critical components of Delta's operation and business and have developed or supplemented your expertise and skills as the result of such activities with Delta, and the use of such skills or disclosure of the details of such skills or knowledge to a competitor of Delta would be detrimental to Delta's legitimate business interests; and
- (D) the restrictions imposed by this Section 2(d) will not prevent you from earning a livelihood, given both the broad demand for the type of skills you possess as well as the large number of worldwide and domestic passenger and cargo air carriers and related businesses not included in Section 2(d)(i) or Exhibit 1 hereto.

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(ii) During the term of your employment with Delta and for the two-year period following your Termination of Employment, you will not on your own behalf or on behalf of any person, firm, partnership, association, corporation or business organization, entity or enterprise, whether as an employee, consultant, partner or in any other capacity, provide services that are the same or similar to the services of the type conducted, authorized, offered or provided by either you or any other executive, key or professional employee of Delta or any of its subsidiaries/divisions on the Grant Date (or within two years prior to your Termination of Employment), to:

- (A) any of the following entities (including any successors thereto), any airline alliances (including Star Alliance and Oneworld) or airline industry associations (including Airlines for America and International Air Transport Association) in which such entity participates, and any partially or wholly owned subsidiary or joint venture of such entity that operates an airline or a business operated by Delta as of the Grant Date: Alaska Air Group, Inc., Amazon Air, American Airlines Group, Inc., Frontier Group Holdings, Inc., Jet Blue Airways Corporation, Southwest Airlines Co., Spirit Airlines, Inc., United Airlines Holdings, Inc., Avianca S.A., Emirates Group, Etihad Airways P.J.S.C., International Consolidated Airlines Group, S.A. or Qatar Airways Company Q.C.S.C.;
- (B) any passenger or cargo air carrier that is more than 25% owned by Emirates Group, Etihad Airways P.J.S.C. or Qatar Airways Company Q.C.S.C.;
- (C) if not included in clause (A) or (B) above, any foreign air carrier that operates passenger or cargo service into the United States or its territories more than 35 flights per week for more than six months in any rolling 12-month period; provided, however, this clause (C)

shall not apply to employment with LATAM Airlines Group S.A. or Delta profit sharing joint venture partners Aerovías de Mexico, S.A. de C.V. (Aeromexico), Air France KLM Group, Korean Air Lines Co., LTD or Virgin Atlantic Airways Limited; or

(D) any of the entities listed on Exhibit 1 hereto, *provided* that you (1) are employed by a Delta subsidiary or you have a significant role with and spend more than 75% of your time providing services to a Delta subsidiary or (2) are employed in Delta's TechOps or Delta Connection division.

These restrictions will apply to the territory over which you have responsibility on the Grant Date (or had responsibility for at the time of your Termination of Employment), which territory you acknowledge to be co-extensive with the cities encompassed by Delta's worldwide route structure as it exists as of the Grant Date, or the date of your Termination of Employment, as appropriate.

(iii) Nothing in this Section 2(d) will restrict your employment in any position, function, or role with any airline or entity not defined in Section 2(d) or Exhibit 1 hereto. Further, notwithstanding anything in this Section 2(d) to the contrary, these restrictions shall not apply to employment with Airco Aviation Services, LLC ("Airco"), or its wholly owned subsidiaries, including Unifi Aviation, LLC, for any period during which Delta owns at least 40% of Airco.

(e) **Return of Property.** You hereby agree that all property belonging to Delta, including records, files, memoranda, reports and personnel information (including corporate records, benefit files, training records, customer lists, operating procedure manuals, safety manuals, financial statements, price lists and the like), relating to the business of Delta, whether in physical or electronic form, with which you come in contact in the course of your employment (hereinafter "**Delta's Materials**") shall, as between

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the parties hereto, remain the sole property of Delta. You hereby warrant that you will promptly return all originals and copies of Delta's Materials to Delta at the time your employment terminates.

(f) **No Statements.** You hereby agree that you will not, both during the term of your employment with Delta and after your Termination of Employment, (i) make any oral or written statement to the news media, in any public forum, or to any business competitive with Delta concerning any actions or inactions by Delta or any of its current or former subsidiaries or Affiliates or any of their present or former officers, directors, or employees (the "**Delta Parties**"), relative to the Delta Parties' compliance with any state, federal or local law or rule or (ii) make any oral or written statement or take any other action that disparages or criticizes the Delta Parties, including, but not limited to, any such statement that damages the Delta Parties' good reputation or impairs their normal operations or activities.

(g) **Cooperation.** You hereby agree that you will, both during the term of your employment with Delta and after your Termination of Employment, to the extent requested in writing and reasonable under the circumstances, cooperate with and serve in any capacity requested by Delta in any pending or future litigation or other legal matter in which Delta has an interest and regarding which you, by virtue of your employment with Delta, have knowledge or information relevant to the litigation or matter.

(h) **Clawback.** If you are an officer of Delta at or above the Vice President level, you hereby agree that if the Committee determines that you have engaged in fraud or misconduct that caused, in whole or in part, the need for a required restatement of Delta's financial statements filed with the U.S. Securities and Exchange Commission, the Committee will review all incentive compensation awarded to or earned by you, including, without limitation, your Award, with respect to fiscal periods materially affected by the restatement and may recover from you all such incentive compensation to the extent the Committee deems appropriate after taking into account the relevant facts and circumstances. Any recoupment hereunder may be in addition to any other remedies that may be available to Delta under applicable law, including disciplinary action up to and including termination of employment.

(i) **Insider Trading Policy.** You understand that you are subject to the Delta Air Lines, Inc. Insider Trading Policy, as in effect from time to time, and you are responsible for reading, understanding and complying with the policy, including the prohibitions against hedging and pledging of Delta Common Stock.

(j) **Former Employee Vendor Policy.** You hereby agree that, during the one-year period following your Termination of Employment, you will be subject to and shall comply with Delta's *Restriction on Former Employees' Work with Vendors* policy, as in effect from time to time.

### 3. Dispute Resolution

(a) **Arbitration.** You hereby agree that, except as expressly set forth below, all disputes and any claims arising out of or under or relating to the Award or this Agreement, including, without limitation, any dispute or controversy as to the validity, interpretation, construction, application, performance, breach or enforcement of this Agreement or any of its terms, shall be submitted for and settled by mandatory, final and binding arbitration in accordance with the Commercial Arbitration Rules then prevailing of the American Arbitration Association. Unless an alternative locale is otherwise agreed to in writing by the parties to this Agreement, the arbitration shall be conducted in Atlanta, Georgia. The arbitrator will apply Georgia law to the merits of any dispute or claim without reference to rules of conflicts of law. Any award rendered by the arbitrator shall provide the full remedies available to the parties under the applicable law and shall be final and binding on each of the parties hereto and their heirs, executors, administrators, successors

and assigns and judgment may be entered thereon in any court having jurisdiction. You hereby consent to the personal jurisdiction of the state and federal courts in the State of Georgia with venue in Atlanta for any action or proceeding arising from or relating to any arbitration under this Agreement. The prevailing party in any such arbitration shall be entitled to an award by the arbitrator of all reasonable attorneys' fees and expenses incurred in connection with the arbitration.

However, Delta will pay all fees associated with the American Arbitration Association and the arbitrator. All parties must initial here for this Section 3 to be effective:

[Participant]

Delta Air Lines, Inc., Kelley Elliott, Vice President – Total Rewards

**(b) *Injunctive Relief in Aid of Arbitration; Forum Selection.*** You hereby acknowledge and agree that the provisions contained in Section 2 are reasonably necessary to protect the legitimate business interests of Delta and that any breach of any of these provisions will result in immediate and irreparable injury to Delta for which monetary damages will not be an adequate remedy. You further acknowledge that if any such provision is breached or threatened to be breached, Delta will be entitled to seek a temporary restraining order, preliminary injunction or other equitable relief in aid of arbitration in any court of competent jurisdiction without the necessity of posting a bond restraining you from continuing to commit any violation of the covenants, and you hereby irrevocably consent to the jurisdiction of the state and federal courts of the State of Georgia, with venue in Atlanta, which shall have jurisdiction to hear and determine any claim for a temporary restraining order, preliminary injunction or other equitable relief brought against you by Delta in aid of arbitration.

**(c) *Consequences of Breach.*** Furthermore, you acknowledge that, in partial consideration for the Award described in this Agreement, Delta is requiring that you agree to and comply with the terms of Section 2, and you hereby agree that, without limiting any of the foregoing, should you violate any of the covenants included in Section 2, you will not be entitled to and shall not receive any Awards under the 2023 LTIP as set forth in this Agreement and any outstanding Awards will be forfeited.

**(d) *Tolling.*** You further agree that in the event the enforceability of any of the restrictions as set forth in Section 2 are challenged and you are not preliminarily or otherwise enjoined from breaching such restriction(s) pending a final determination of the issues, then, if an arbitrator or upon review of any arbitrator's decision, a court, concludes that the challenged restriction(s) is enforceable, any applicable time period related to the challenged restriction set forth in Section 2 shall be deemed tolled upon the filing of the arbitration or action seeking injunctive or other equitable relief in aid of arbitration, whichever is first in time, until the dispute is finally resolved and all periods of appeal have expired.

**(e) *Governing Law.*** Unless governed by federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Georgia, without regard to principles of conflicts of laws of that State.

**(f) *Waiver of Jury Trial.* TO THE MAXIMUM EXTENT PERMITTED BY LAW, YOU HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN CONNECTION WITH ANY MATTER ARISING OUT OF, UNDER, IN CONNECTION WITH, OR IN ANY WAY RELATED TO THIS AGREEMENT. THIS INCLUDES, WITHOUT LIMITATION, ANY DISPUTE CONCERNING ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTION OF DELTA OR YOU, OR ANY EXERCISE BY DELTA OR YOU OF OUR RESPECTIVE RIGHTS UNDER THIS AGREEMENT OR IN ANY WAY RELATING TO THIS AGREEMENT. YOU FURTHER ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR DELTA TO ISSUE AND ACCEPT THIS AGREEMENT.**

**4. *Validity; Severability.*** In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such holding shall not affect any other provisions in this Agreement, but this Agreement shall be construed as if such

invalid, illegal or unenforceable provisions had never been contained herein. The invalidity, illegality or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

**5. Authority of the Committee.** You acknowledge and agree that the Committee has the sole and complete authority and discretion to construe and interpret the terms of this Agreement. All determinations of the Committee shall be final and binding for all purposes and upon all persons, including, without limitation, you and the Company and your heirs and its successors. The Committee shall be under no obligation to construe this Agreement or treat the Award in a manner consistent with the treatment provided with respect to other Awards or Participants.

**6. Amendment.** This Agreement may not be amended or modified except by written agreement signed by you and Delta; *provided, however*, you acknowledge and agree that Delta may unilaterally amend the clawback provision set forth in Section 2(h) to the extent required to be in compliance with any applicable law or regulation or Delta's internal clawback policy, as it may be amended from time to time.

**7. Acknowledgement; Electronic Delivery.** By signing this Agreement, you (a) acknowledge that you have had a full and adequate opportunity to read this Agreement and you agree with every term and provision herein, including, without limitation, the terms of Sections 2, 3, 4, 5, 6 and, if applicable, Exhibit 1 hereto; (b) agree, on behalf of yourself and on behalf of any designated beneficiary and your heirs, executors, administrators and personal representatives, to all of the terms and conditions contained in this Agreement and the Plan; and (c) consent to receive all material regarding any awards under the Plan, including any prospectuses, from the Company or a third party designated by the Company, electronically with an e-mail notification to your work e-mail address.

**8. Entire Agreement.** This Agreement, together with the Plan (the terms of which are made a part of this Agreement and are incorporated into this Agreement by reference), constitute the entire agreement between you and Delta with respect to the Award.

**9. Acceptance of this Award.** If you agree to all of the terms of this Agreement and would like to accept this Award, you must sign and date this Agreement where indicated below and, if you do not accept the Award electronically, return an original signed version of this Agreement to the Company's Executive Compensation group, either by hand or by mail to Department 936, P.O. Box 20706, Atlanta, Georgia 30320, as set forth on page 1 of this Agreement. Delta hereby acknowledges and agrees that its legal obligation to make the Award to you shall become effective when you sign this Agreement.

**10. Fractions.** Any calculation under the 2023 LTIP that results in a fractional amount will be rounded to two decimal points.

**11. Potential Reduction in Payments Due to Excise Tax.** In the event that a Participant becomes entitled to benefits under this Agreement, then such benefits, together with any payment or consideration in the nature of value or compensation to or for the Participant's benefit under any other agreement with or plan of Delta, shall be subject to reduction as set forth in Section 4(e) of the Delta Air Lines, Inc. Officer and Director Severance Plan, which relates to the excise tax under Section 4999 of the Code.

**12. Section 409A of the Code.** To the extent required to be in compliance with Section 409A of the Code, and the regulations promulgated thereunder (together, "**Section 409A**"), notwithstanding any other provision of the Plan, (a) any payment or benefit to which a Participant is eligible with respect to the 2023 LTIP, including a Participant who is a "specified employee" as defined in Section 409A, shall be adjusted or delayed and (b) any term of the 2023 LTIP may be adjusted in such manner as to comply with Section 409A and maintain the intent of the 2023 LTIP to the maximum extent possible. More specifically, to the extent any payment provided to a Participant under the 2023 LTIP constitutes non-exempted deferred compensation under Section 409A and the Participant is at the time of the Participant's Termination of Employment considered to be a "specified employee" pursuant to the Company's policy for determining such employees, the payment of any such non-exempted amount and the provision of such non-exempted

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benefits will be delayed for six months following the Participant's separation from service. Notwithstanding the foregoing, Delta shall not have any liability to any Participant or any other person if any payment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and does not satisfy the additional conditions applicable to nonqualified deferred compensation under Section 409A.

\* \* \* \*

You and Delta, each intending to be bound legally, agree to the matters set forth above by signing this Agreement, all as of the date set forth below.

DELTA AIR LINES, INC.

By:

Name: Kelley Elliott  
Title: Vice President—Total Rewards

PARTICIPANT

[PARTICIPANT]

Date:

Exhibit 1

**Subsidiary and Company Division Competitors**

1. If you are employed by, or you have a significant role with and spend more than 75% of your time providing services to **Delta Vacations, LLC**, the following entities, (including the successors thereto) and any corporate parent or any partially or wholly owned subsidiary of such entities shall be included as competitors under Section 2(d)(ii)(D) of this Agreement: ALG Vacations; Classic Vacations, LLC; Costco Travel; FC USA, Inc.; Sun Country Vacations; and Travel Impressions.

2. If you are employed by, or you have a significant role with and spend more than 75% of your time providing services to **Monroe Energy, LLC**, the following entities, (including the successors thereto) and any corporate parent or any partially or wholly owned subsidiary of such entities shall be included as competitors under Section 2(d)(ii)(D) of this Agreement: Energy Transfer LP; PBF Energy Inc.; Phillips 66 Company; and Sunoco LP.

3. If you are employed by, or you have a significant role with and spend more than 75% of your time providing services to **Endeavor Air, Inc.**, the following entities, (including the successors thereto) and any corporate parent or any partially or wholly owned subsidiary of such entities shall be included as competitors under Section 2(d)(ii)(D) of this Agreement: Air Wisconsin Airlines Corporation; CommutAir; Envoy Air, Inc.; Horizon Air Industries, Inc.; Jazz Aviation , LP; Mesa Air Group, Inc.; Piedmont Airlines, Inc.; PSA Airlines, Inc.; Republic Airways Holdings Inc.; Skywest, Inc.; and Trans States Holdings, Inc.

4. If you are employed by the Company in its **TechOps division**, the following entities(including the successors thereto) and any corporate parent or any partially or wholly owned subsidiary of such entities shall be included as competitors under Section 2(d)(ii)(D) of this Agreement: AAR Corp.; GE Aviation Service Operation LLP, GE Aviation Systems Group Limited, GE Aviation Systems North America, Inc. GE Aviation UK; Honeywell International , Inc.; Hong Kong Aircraft Engineering Company LTD (HAECO) (Americas and international); Lufthansa Technik AG; the MTU Maintenance businesses of MTU Aero Engines (domestic and international); Pratt & Whitney; Singapore Technologies Aerospace Ltd.; and United Technologies Corporation.

5. If you are employed by the Company in its **Delta Connection division**, the following entities (including the successors thereto) and any corporate parent or any partially or wholly owned subsidiary of such entities shall be included as competitors under Section 2(d)(ii)(D) of this Agreement: Air Wisconsin Airlines Corporation; CommutAir; Envoy Air, Inc.; Horizon Air Industries, Inc.; Jazz Aviation , LP; Mesa Air Group, Inc.; Piedmont Airlines, Inc.; PSA Airlines, Inc.; Republic Airways Holdings Inc.; Skywest, Inc.; and Trans States Holdings, Inc.

6. If you are employed by, or you have a significant role with and spend more than 75% of your time providing services to **Delta Material Services, LLC**, the following entities, (including the successors thereto) and any corporate parent or any partially or wholly owned subsidiary of such entities shall be included as competitors under Section 2(d)(ii)(D) of this Agreement: AAR Corp; AerSale, Inc.; AJ Walter Aviation Limited; GA Telesis, LLC; Unical Aviation, Inc.; and VAS Aero Services, LLC.

7. If you are employed by, or you have a significant role with and spend more than 75% of your time providing services to **Delta Flight Products, LLC**, the following entities, (including the successors thereto) and any corporate parent or any partially or wholly owned subsidiary of such entities shall be included as competitors under Section 2(d)(ii)(D) of this Agreement: Airbus SE; Collins Aerospace; EnCore Aerospace LLC; Gulfstream Aerospace Corporation (excluding corporate parent); Hong Kong Aircraft Engineering Company Limited(HAECO); JAMCO Corporation; Panasonic Avionics Corporation (excluding corporate parent); Safron Group; ST Engineering Aerospace; Thales Group; and The Boeing Company.

## APPENDIX A

The terms of this Appendix A shall apply to the Award set forth in this Agreement. Capitalized terms that are used but not otherwise defined in this Agreement have the meaning set forth in the Plan. For purposes of Appendix A, you are referred to as a **"Participant."**

### A. Performance Award

1. **Payout Criteria and Form of Payment.** Except as otherwise expressly set forth in this Section A, payment, if any, of a Performance Award will be based on the Company's performance during the period beginning on January 1, 2023 and ending on and including December 31, 2025 (the **"Performance Period"**). The actual payout, if any, of a Performance Award will be determined by the Committee pursuant to the achievement of certain performance criteria established by the Committee to measure the Company's performance during the Performance Period (the **"Performance Measures"**). A description of the Performance Measures and amounts to be earned, if any, for the various levels of performance, which shall not exceed 200% of the target level, will be communicated to Participants in such manner as the Committee deems appropriate. The payout, if any, of a Performance Award will be made in cash.

2. **Vesting.** Subject to the terms of the Plan and all other conditions included in this Agreement, the Performance Award shall vest as of the end of the Performance Period to the extent that the Company's actual results with respect to the Performance Measures meet or exceed threshold level. Any portion of a Performance Award that does not vest at the end of the Performance Period will immediately lapse and become void.

3. **Timing of Payment.** The payout, if any, of a Performance Award that vests under Section A.2 will be made as soon as practicable after the Committee certifies the achievement of the Performance Measures and the payment amount can be finally determined, but in no event later than March 15, 2026, unless it is administratively impracticable to do so and such impracticability was not foreseeable at the end of 2025, in which case such payment shall be made as soon as administratively practicable after March 15, 2026.

4. **Accelerated Vesting/Forfeiture upon Terminations of Employment (Occurring Prior to October 1, 2023).** Effective for Terminations of Employment [that occur prior to October 1, 2023], the Performance Award is subject to the following terms and conditions:

(a) **Without Cause or For Good Reason.** Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if they are employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate), subject to the Participant's execution of a waiver and release of claims in a form and manner satisfactory to the Company (a **"Release"**), the Participant's target Performance Award will be recalculated and will be the result of the following formula (the **"Adjusted Performance Award"**):  $S \times (T \div 36)$  where,

$S$  = the Participant's target Performance Award as of the Grant Date; and

$T$  = the number of calendar months from January 1, 2023 to the date of such Termination of Employment (rounded up for any partial month).

Thereafter, the Participant will be eligible to receive a payout, if any, based on the Adjusted Performance Award which will vest and become payable under Sections A.2 and A.3 in the same manner and to the same extent as if the Participant's employment had continued.

(b) **Voluntary Resignation.** Upon a Participant's Termination of Employment by reason of a voluntary resignation (other than for Good Reason or Retirement) prior to the end of the workday on December 31, 2025, the Participant will immediately forfeit the Performance

Award as of the date of such Termination of Employment. In the event a Participant incurs a Termination of Employment by reason of a voluntary resignation on or after January 1, 2026, subject to the Participant's execution of a Release, the Participant will remain eligible for any unpaid Performance Award, which award will vest and become payable under Sections A.2 and A.3 in the same manner and to the same extent as if the Participant's employment had continued.

(c) **Retirement.** Subject to Section A.4(f), upon a Participant's Termination of Employment due to Retirement, subject to the Participant's execution of a Release, the Participant's target Performance Award will be recalculated in accordance with the formula set forth in Section A.4(a). Thereafter, the

Participant will be eligible to receive a payment, if any, based on the Adjusted Performance Award, which will vest and become payable under Sections A.2 and A.3 in the same manner and to the same extent as if the Participant's employment had continued.

(d) *Death or Disability.* Upon a Participant's Termination of Employment due to death or Disability, the Participant's Performance Award will immediately become vested at the target level and such amount will be paid as soon as practicable thereafter to the Participant or the Participant's estate, as applicable.

(e) *For Cause.* Upon a Participant's Termination of Employment by the Company for Cause, the Participant will immediately forfeit any unpaid portion of the Performance Award as of the date of such Termination of Employment.

(f) *Retirement-Eligible Participants Who Incur a Termination of Employment for Other Reasons.* If a Participant who is eligible for Retirement is or would be terminated by the Company without Cause, such Participant shall be considered to have been terminated by the Company without Cause for purposes of this Agreement rather than having retired, but only if the Participant acknowledges that, absent Retirement, the Participant would have been terminated by the Company without Cause. If, however, the employment of a Participant who is eligible for Retirement is terminated by the Company for Cause, then, regardless of whether the Participant is considered as a retiree for purposes of any other program, plan or policy of the Company, for purposes of this Agreement, the Participant's employment shall be considered to have been terminated by the Company for Cause.

(g) *Change in Control.* Notwithstanding the foregoing and subject to Section 11 of this Agreement, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if they are employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate) on or after a Change in Control but prior to the second anniversary of such Change in Control, subject to the Participant's execution of a Release, the Participant's outstanding Performance Award shall immediately become vested at the target level and such amount will be paid to the Participant as soon as practicable. With respect to any Participant who incurs a Termination of Employment by the Company without Cause or who resigns for Good Reason prior to a Change in Control, if a Change in Control occurs thereafter during the Performance Period, such Participant's Adjusted Performance Award, will immediately become vested and be paid in cash to the Participant as soon as practicable.

[5. *Accelerated Vesting/Forfeiture upon Terminations of Employment Occurring On or After October 1, 2023.* Effective for Terminations of Employment that occur on or after October 1, 2023, the Performance Award is subject to the following terms and conditions:

(a) *Qualifying Termination of Employment.* Upon a Participant's Qualifying Termination of Employment (as such term is defined below), subject to the Participant's execution of a Release, the Participant will remain eligible for the Performance Award, which

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award will vest and become payable under Sections A.2 and A.3 in the same manner and to the same extent as if the Participant's employment had continued.

(b) *Disqualifying Termination of Employment.* Upon a Participant's Disqualifying Termination of Employment (as such term is defined below), the Participant will immediately forfeit any unpaid portion of the Performance Award as of the date of such Termination of Employment.

(c) *Death or Disability.* Upon a Participant's Termination of Employment due to death or Disability, the Participant's Performance Award will immediately become vested at the target level and such amount will be paid as soon as practicable thereafter to the Participant or the Participant's estate, as applicable.

(d) *Change in Control.* Notwithstanding the foregoing and subject to Section 11 of this Agreement, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason on or after a Change in Control but prior to the second anniversary of such Change in Control, subject to the Participant's execution of a Release, the Participant's outstanding Performance Award will immediately become vested at the target level and such amount will be paid in cash to the Participant as soon as practicable. With respect to any Participant who incurs a Termination of Employment by the Company without Cause or who resigns for Good Reason prior to a Change in Control, if a Change in Control occurs thereafter during the Performance Period, such Participant's Performance Award will immediately become vested and be paid to the Participant as soon as practicable.

(e) *Death Following Qualifying Termination of Employment.* If a Participant dies after incurring a Qualifying Termination of Employment, but before the Performance Award vests and becomes payable under Sections A.2 and A.3, the Participant's Performance Award will immediately become vested at the target level and such amount will be paid as soon as practicable thereafter to the Participant's estate.]

[6. *Definitions.*

(a) **"Qualifying Termination of Employment"** means a Participant's Termination of Employment (i) by the Company without Cause or (ii) by the Participant with or without Good Reason or by reason of Retirement.

(b) **"Disqualifying Termination of Employment"** means a Participant's Termination of Employment by the Company for Cause.]

## B. Performance Restricted Stock Units

1. Risk of Forfeiture. Until any PRSUs becomes vested and settled under Section B.3 or B.6, a Participant will not be permitted to sell, exchange, assign, transfer or otherwise dispose of the PRSUs and the PRSUs will be subject to forfeiture as set forth below.

2. Payout Criteria. Except as otherwise expressly set forth in this Section B, payment, if any, of the PRSUs will be based on the Company's performance during the Performance Period. The actual payout, if any, of the PRSUs will be determined by the Committee pursuant to the achievement of certain performance criteria established by the Committee to measure the Company's performance during the Performance Period (the "**PRSU Performance Measures**"). The actual number of PRSUs that may vest, if any, may range from zero to 300% of the Target PRSU Award based on the level of performance achieved. A description of the PRSU Performance Measures will be communicated to Participants in such manner as the Committee deems appropriate.

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3. Vesting. Subject to the terms of the Plan and all other conditions included this Agreement, the PRSUs shall vest at the end of the Performance Period to the extent that the Company's actual results with respect to the PRSU Performance Measures meet or exceed the applicable minimum performance level. Any portion of the PRSUs that does not vest at the end of the Performance Period will be immediately forfeited.

4. Payment; Timing of Settlement. The payment, if any, of the PRSUs that vest under Section B.3 will be made in Shares in an amount equal to the number of vested PRSUs. The vested PRSUs shall be settled as soon as practicable after the Committee certifies the achievement of the PRSU Performance Measures and the payment amount can be finally determined, but in no event later than March 15, 2026, unless it is administratively impracticable to do so and such impracticability was not foreseeable at the end of 2025, in which case such payment shall be made as soon as administratively practicable after March 15, 2026.

5. Dividend Equivalents. In the event a cash dividend shall be paid with respect to Shares at a time the PRSUs have not vested, the Participant shall be eligible to receive, upon the vesting of the PRSUs, if any, a cash payment equal to the amount of the cash dividend per Share multiplied by the number of the Participant's vested PRSUs. The vesting provisions under Section B.3 shall apply to any such dividend equivalent, and any resulting cash payment shall be made as soon as practicable after the settlement of the vested PRSUs.

6. Accelerated Vesting/Forfeiture upon Terminations of Employment /Occurring Prior to October 1, 2023. Effective for Terminations of Employment [that occur prior to October 1, 2023], the PRSUs are subject to the following terms and conditions:

(a) Without Cause or For Good Reason. Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason, subject to the Participant's execution of a Release, the Participant's Target PRSU Award will be prorated and will be the result of the following formula (the "**Pro Rata PRSU Portion**")<sup>1</sup>:  $S \times (T \div 36)$  where,

S = the number of PRSUs subject to the Target PRSU Award; and

T = the number of calendar months from January 1, 2023 to the date of such Termination of Employment (rounded up for any partial month).<sup>1</sup>

Thereafter, the Participant will be eligible to receive a payment, if any, based on the Pro Rata PRSU Portion which will vest and become payable under Sections B.3 and B.4 in the same manner and to the same extent as if the Participant's employment had continued. Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason, any unvested PRSUs subject to the Target PRSU Award, other than the Pro Rata PRSU Portion, shall be immediately forfeited.

(b) Voluntary Resignation. Upon a Participant's Termination of Employment by reason of a voluntary resignation (other than for Good Reason or Retirement) prior to the end of the workday on December 31, 2025, the Participant will immediately forfeit the Target PRSU Award as of the date of such Termination of Employment. In the event a Participant incurs a Termination of Employment by reason of a voluntary resignation on or after January 1, 2026, subject to the Participant's execution of a Release, the Participant will remain eligible for any unpaid PRSUs, which award will vest and become payable under Sections B.3 and B.4 in the same manner and to the same extent as if the Participant's employment had continued.

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<sup>1</sup>If this formula results in any fractional unit, the Pro Rata PRSU Portion will be rounded up to the nearest whole unit.

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(c) *Retirement.* Subject to Section B.6(f), upon a Participant's Termination of Employment due to Retirement, subject to the Participant's execution of a Release, the Participant's Target PRSU Award will be prorated in accordance with the formula set forth in Section B.6(a); provided, however, that "S" shall equal [\*] PRSUs. Thereafter, the Participant will be eligible to receive a payment, if any, based on the Pro Rata PRSU Portion which will vest and become payable under Sections B.3 and B.4 in the same manner and to the same extent as if the Participant's employment had continued. Upon a Participant's Termination of Employment due to Retirement, the unvested Target PRSU Award, other than the Pro Rata PRSU Portion, shall be immediately forfeited.

(d) *Death or Disability.* Upon a Participant's Termination of Employment due to death or Disability, the Participant's Target PRSU Award will immediately become vested and such vested PRSUs will be paid in accordance with Section B.4 as soon as practicable thereafter to the Participant or the Participant's estate, as applicable.

(e) *For Cause.* Upon a Participant's Termination of Employment by the Company for Cause, the Participant's Target PRSU Award shall be immediately forfeited.

(f) *Retirement-Eligible Participants Who Incur a Termination of Employment for Other Reasons.* If a Participant who is eligible for Retirement is or would be terminated by the Company without Cause, such Participant shall be considered to have been terminated by the Company without Cause for purposes of this Agreement rather than having retired, but only if the Participant acknowledges that, absent Retirement, the Participant would have been terminated by the Company without Cause. If, however, the employment of a Participant who is eligible for Retirement is terminated by the Company for Cause, then, regardless of whether the Participant is considered as a retiree for purposes of any other program, plan or policy of the Company, for purposes of this Agreement, the Participant's employment shall be considered to have been terminated by the Company for Cause.

(g) *Change in Control.* Notwithstanding the foregoing and subject to Section 11 of this Agreement, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason on or after a Change in Control but prior to the second anniversary of such Change in Control, subject to the Participant's execution of a Release, the Participant's Target PRSU Award shall immediately become vested and such vested PRSUs will be paid in accordance with Section B.4 to the Participant as soon as practicable. With respect to any Participant who incurs a Termination of Employment by the Company without Cause or who resigns for Good Reason prior to a Change in Control, if a Change in Control occurs thereafter during the Performance Period, such Participant's Pro Rata PRSU Portion, will immediately become vested and be paid in accordance with Section B.4 to the Participant as soon as practicable.

[7. *Accelerated Vesting/Forfeiture upon Terminations of Employment Occurring On or After October 1, 2023.* Effective for Terminations of Employment that occur on or after October 1, 2023, the PRSUs are subject to the following terms and conditions:

(a) *Qualifying Termination of Employment.* Except as otherwise provided in this Section B.7(a), upon a Participant's Qualifying Termination of Employment, subject to the Participant's execution of a Release, the Participant will remain eligible for the Target PRSU Award, which award will vest and become payable under Sections B.3 and B.4 in the same manner and to the same extent as if the Participant's employment had continued. Notwithstanding the foregoing to the contrary, if a Participant's Qualifying Termination of Employment is due to a Termination of Employment by the Participant without Good Reason or by reason of Retirement, subject to the Participant's execution of a Release, the Participant will remain eligible for [\*]

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PRSUs subject to the Target PRSU Award which award will vest and become payable under Sections B.3 and B.4 in the same manner and to the same extent as if the Participant's employment had continued. With respect to the remaining [\*] PRSUs subject to the Target PRSU Award (the "**Remaining PRSUs**"), if the Termination of Employment by the Participant without Good Reason or by reason of Retirement occurs (i) on or prior to the first anniversary of the Grant Date, the Remaining PRSUs shall be immediately forfeited or (ii) after the first anniversary of the Grant Date, but on or prior to the last date of the Performance Period, the Remaining PRSUs will be prorated in accordance with the formula set forth in Section B.6(a); provided, however, that "S" shall equal the number of Remaining PRSUs. Thereafter, the Participant will be eligible to receive a payment, if any, based on the Pro Rata PRSU Portion which will vest and become payable under Sections B.3 and B.4 in the same manner and to the same extent as if the Participant's employment had continued and the Remaining PRSUs, other than the Pro Rata PRSU Portion, shall be immediately forfeited.

(b) *Disqualifying Termination of Employment.* Upon a Participant's Disqualifying Termination of Employment, the Participant's Target PRSU Award shall be immediately forfeited.

(c) *Death or Disability.* Upon a Participant's Termination of Employment due to death or Disability, the Participant's Target PRSU Award will immediately become vested and such amount will be paid in accordance with Section B.4 as soon as practicable thereafter to the Participant or the Participant's estate, as applicable.

(d) *Change in Control.* Notwithstanding the foregoing and subject to Section 11 of this Agreement, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason on or after a Change in Control but prior to the second anniversary of

such Change in Control, subject to the Participant's execution of a Release, the Participant's Target PRSU Award shall immediately become vested and such amount will be paid to the Participant as soon as practicable. With respect to any Participant who incurs a Termination of Employment by the Company without Cause or who resigns for Good Reason prior to a Change in Control, if a Change in Control occurs thereafter during the Performance Period, such Participant's Target PRSU Award, will immediately become vested and be paid in accordance with Section B.4 to the Participant as soon as practicable.

(e) *Death Following Qualifying Termination of Employment.* If a Participant dies after incurring a Qualifying Termination of Employment, but before the PRSUs vest and become payable under Sections B.3 and B.4, the Participant's Target PRSU Award will immediately become vested and such amount will be paid as soon as practicable thereafter to the Participant's estate.]

### **[C. Cash Award]**

1. *Risk of Forfeiture.* Until a Cash Award becomes vested and paid under Section C.3 or C.4, a Participant will not be permitted to sell, exchange, assign, transfer or otherwise dispose of the unvested Cash Award or any interest in the unvested Cash Award, and the Cash Award will be subject to forfeiture as set forth below.

2. *Vesting.* Subject to the terms of the Plan and this Agreement, the Cash Award shall vest [in two installments as follows: (a) \$[\*] on April 28, 2023 and (b) \$[\*] on May 31, 2024 (the "**Second Cash Award Installment**")] OR [on May 31, 2024].

3. *Timing of Payment.* The payment of any portion of the Cash Award that vests under Section C.2 will be made as soon as practicable after the applicable vesting date, but in no event later than two and one-half months following the calendar year in which such vesting occurs,

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unless it is administratively impracticable to do so and such impracticability was not foreseeable at the end of the applicable calendar year, in which case such payment shall be made as soon as administratively practicable after such period.

4. *Accelerated Vesting/Forfeiture Upon Terminations of Employment.* In addition to the other provisions of the Plan and this Agreement, the Cash Award is subject to the following terms and conditions:

(a) *In General.* Unless the Committee determines otherwise, upon a Participant's Termination of Employment by (i) reason of a voluntary resignation or Retirement or (ii) the Company for Cause, the Participant will immediately forfeit any unpaid portion of the Cash Award as of the date of such Termination of Employment.

(b) *Without Cause or For Good Reason.* Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason, subject to the Participant's execution of a Release, the Participant's [Second] Cash Award [Installment] will be recalculated and will be the result of the following formula (the "**Adjusted Cash Award**"):

$$S = \frac{S}{T} \times (T + 13)$$

$S$  = the [Second] Cash Award [Installment] amount; and

$T$  = the number of calendar months from the Grant Date to the date of such Termination of Employment (rounded up for any partial month).

Thereafter, the Adjusted Cash Award will become immediately vested as of the date of such Termination of Employment and such amount will be paid as soon as practicable thereafter to the Participant. Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason, any unvested Cash Award, other than the Adjusted Cash Award portion, shall be immediately forfeited.

(c) *Death or Disability.* Upon a Participant's Termination of Employment due to death or Disability, any unvested portion of the Participant's Cash Award will immediately vest as of the date of such Termination of Employment, and such amount will be paid as soon as practicable thereafter to the Participant or the Participant's estate, as applicable.

(d) *Change in Control.* Notwithstanding the foregoing and subject to Section 11 of this Agreement, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason on or after a Change in Control but prior to May 31, 2024, subject to the Participant's execution of a Release, any unvested portion of the Participant's Cash Award will immediately vest, and such amount will be paid to the Participant as soon as practicable thereafter.]

### **[C. Restricted Stock]**

1. *Restrictions.* Until the restrictions imposed by this Section C (the "**Restrictions**") have lapsed pursuant to Section C.2 or C.3, a Participant will not be permitted to sell, exchange, assign, transfer or otherwise dispose of the Restricted Stock, and the Restricted Stock will be subject to forfeiture as set forth below.

2. *Lapse of Restrictions—Continued Employment.* Subject to the terms of the Plan and this Agreement, the Restrictions shall lapse and be of no further force or effect with respect to one-third of the Shares of Restricted Stock on each of the following dates: (a) February 1, 2024

**(“First RS Installment”); (b) February 1, 2025 (“Second RS Installment”); and (c) February 1, 2026 (“Third RS Installment”).<sup>2</sup>**

**3. Lapse of Restrictions/Forfeiture upon Terminations of Employment.** In addition to the other provisions of the Plan and this Agreement, the Restricted Stock and the Restrictions set forth in this Section A are subject to the following terms and conditions:

**(a) *Without Cause or For Good Reason.*** Upon a Participant’s Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if they are employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate), subject to the Participant’s execution of a waiver and release of claims in a form and manner satisfactory to the Company (a “Release”), with respect to any portion of the Restricted Stock subject to the Restrictions, the Restrictions shall immediately lapse on the Pro Rata RS Portion as of the date of such Termination of Employment. Upon the Participant’s Termination of Employment by the Company without Cause or by the Participant for Good Reason, any Restricted Stock that remains subject to the Restrictions, other than the Pro Rata RS Portion, shall be immediately forfeited.

**“Pro Rata RS Portion”** means, with respect to any RS Installment that is subject to the Restrictions at the time of a Participant’s Termination of Employment, the number of Shares covered by such RS Installment multiplied by a fraction (i) the numerator of which is the number of calendar months from February 8, 2023 to the date of such Termination of Employment, rounded up for any partial month and (ii) the denominator of which is 12 for the First RS Installment, 24 for the Second RS Installment and 36 for the Third RS Installment.<sup>4</sup>

**(b) *Voluntary Resignation.*** Upon a Participant’s Termination of Employment by reason of a voluntary resignation (other than for Good Reason or Retirement), any portion of the Restricted Stock subject to the Restrictions shall be immediately forfeited.

**(c) *Retirement.*** Subject to Section C.3(f), upon a Participant’s Termination of Employment by reason of Retirement, with respect to any portion of the Restricted Stock subject to the Restrictions, subject to the Participant’s execution of a Release, the Restrictions shall immediately lapse on the Pro Rata RS Portion (as defined in Section C.3(a)) as of the date of such Termination of Employment. Upon a Participant’s Termination of Employment by reason of Retirement, any Restricted Stock that remains subject to the Restrictions, other than the Pro Rata RS Portion, shall be immediately forfeited.

**(d) *Death or Disability.*** Upon a Participant’s Termination of Employment due to death or Disability, the Restrictions shall immediately lapse and be of no further force or effect as of the date of such Termination of Employment.

**(e) *For Cause.*** Upon a Participant’s Termination of Employment by the Company for Cause, any portion of the Restricted Stock subject to the Restrictions shall be immediately forfeited.

<sup>2</sup>The number of Shares subject to each RS Installment will be equal to the total number of Shares subject to the Restricted Stock Award divided by three; *provided*, that if this formula results in any fractional Share allocation to any RS Installment, the number of Shares in the First RS Installment and, if necessary, the Second RS Installment will be increased so that only full shares are covered by each RS Installment. For example, if a Restricted Stock Award covers 1,000 Shares, the Restrictions will lapse with respect to 334 Shares under the First RS Installment and 333 Shares under each of the Second and Third RS Installments.

<sup>3</sup>For purposes of this Appendix A, one calendar month is calculated from the date of measurement to the same or closest numerical date occurring during the following month. For example, one calendar month from January 31, 2023 will elapse as of February 28, 2023, two months will elapse on March 31, 2023, and so on.

<sup>4</sup>If this formula results in any fractional Share, the Pro Rata RS Portion will be rounded up to the nearest whole Share.

**(f) *Retirement-Eligible Participants Who Incur a Termination of Employment for Other Reasons.*** If a Participant who is eligible for Retirement is or would be terminated by the Company without Cause, such Participant shall be considered to have been terminated by the Company without Cause for purposes of this Agreement rather than having retired, but only if the Participant acknowledges that, absent Retirement, the Participant would have been terminated by the Company without Cause. If, however, the employment of a Participant who is eligible for Retirement is terminated by the Company for Cause, then, regardless of whether the Participant is considered as a retiree for purposes of any other program, plan or policy of the Company, for purposes of this Agreement, the Participant’s employment shall be considered to have been terminated by the Company for Cause.

(g) *Change in Control.* Notwithstanding the foregoing and subject to Section 11 of this Agreement, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if they are employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate) on or after a Change in Control but prior to the second anniversary of such Change in Control, with respect to any RS Installment that is not then vested, subject to the Participant's execution of a Release, any Restrictions in effect shall immediately lapse on the date of such Termination of Employment and be of no further force or effect as of such date.

4. *Dividends.* In the event a cash dividend shall be paid with respect to Shares at a time the Restrictions on the Restricted Stock have not lapsed, the Participant shall be eligible to receive the dividend upon the lapse of the Restrictions. The Restrictions shall apply to any such dividend.]

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**Exhibit 10.2**

### **TERMS OF 2023 RESTRICTED STOCK AWARD<sup>1</sup>**

**Participants:** All members of Delta's Board of Directors (the "Board") who are not employees of Delta ("Non-Employee Directors"), which includes the Chair of the Board (the "Chair"). These directors are:

Greg Creed	George N. Mattson
David G. DeWalt	Vasant M. Prabhu
William H. Easter III	Sergio A. L. Rial
Leslie D. Hale	David S. Taylor (Chair)
Michael P. Huerta	Kathy N. Waller
Jeanne P. Jackson	

**Type of Award:** Restricted Stock, as defined and granted under the Delta Air Lines, Inc. Performance Compensation Plan (the "Performance Compensation Plan").

**Grant Date:** June 15, 2023

**Number of**

**Shares:** The number of shares of Restricted Stock granted to each

Non-Employee Director other than the Chair equals the result of the following formula: \$190,000 divided by Y, where

Y = the closing price of Delta Common Stock, par value \$0.0001 per share, on the New York Stock Exchange on the Grant Date.

The number of shares of Restricted Stock granted to the Chair equals the result of the following formula: \$320,000 divided by Y.

**Partial Shares:** Any partial shares resulting from the above formula will be ignored and the aggregate shares of Restricted Stock for each Non-Employee Director will be rounded up to the nearest whole ten shares.

**Vesting:** Each grant awarded to a Non-Employee Director under the terms of this Attachment A (a "2023 Grant") will vest (the "Vesting Date") on the earlier of (1) June 15, 2024 and (2) the date of Delta's 2024 Annual Meeting of Stockholders, subject to such Non-Employee Director's continued service as a member of the Board on the Vesting Date.

<sup>1</sup>In accordance with these terms, each Non-Employee Director other than the Chairman of the Board received 4,440 shares of Restricted Stock on June 15, 2023. This is equal to \$190,000 divided by \$42.88 (the closing price of Delta Common Stock on the New York Stock Exchange ("NYSE") on June 15, 2023), rounded up to the nearest whole ten shares. The Chairman of the Board received 7,470 shares of Restricted Stock on June 15, 2023. This is equal to \$320,000 divided by \$42.88 (the closing price of Delta Common Stock on the NYSE on June 15, 2023), rounded up to the nearest whole ten shares.

## Accelerated

**Vesting:** Notwithstanding the foregoing, accelerated vesting will occur prior to the Vesting Date as follows: individual 2023 Grants will immediately vest on the date such Non-Employee Director ceases to be a member of the Board due to death, Disability or Retirement. For purposes of the 2023 Grant, (1) "**Disability**" means the Non-Employee Director's inability to perform his or her duties as a member of the Board for a period of 180 or more days as a result of a demonstrable injury or disease and (2) "**Retirement**" means retiring from the Board (i) at or after age 52 with at least ten years of service as a director; (ii) at or after age 68 with at least five years of service as a director; or (iii) at the Non-Employee Director's mandatory retirement date.

**Forfeiture:** Except as expressly set forth above, a Non-Employee Director will immediately forfeit any unvested Restricted Stock on the date such Non-Employee Director ceases to be a member of the Board for any reason, other than due to death, Disability or Retirement.

**Dividends:** In the event a cash dividend is paid with respect to shares of Delta Common Stock at a time during which the 2023 Grant is unvested, the Non-Employee Director will be eligible to receive the dividend when the 2023 Grant vests.

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## Exhibit 15

July 13, October 12, 2023

The Board of Directors and Stockholders of  
Delta Air Lines, Inc.

We are aware of the incorporation by reference in the Registration Statements (Form S-3 No.'s 333-272728 and 333-262678 and Form S-8 No.'s 333-142424, 333-149308, 333-154818, 333-151060 and 333-212525) of Delta Air Lines, Inc. for the registration of its securities of our report dated July 13, 2023 October 12, 2023 relating to the unaudited condensed consolidated interim financial statements of Delta Air Lines, Inc. that are included in its Form 10-Q for the quarter ended June 30, 2023 September 30, 2023.

/s/ Ernst & Young LLP

## Exhibit 31.1

I, Edward H. Bastian, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Delta Air Lines, Inc. ("Delta") for the quarterly period ended June 30, 2023 September 30, 2023;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Delta as of, and for, the periods presented in this report;
4. Delta's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Delta and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Delta, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of Delta's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in Delta's internal control over financial reporting that occurred during Delta's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Delta's internal control over financial reporting; and

5. Delta's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Delta's auditors and the Audit Committee of Delta's Board of Directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Delta's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Delta's internal control over financial reporting.

July 13, October 12, 2023

/s/ Edward H. Bastian

Edward H. Bastian

Chief Executive Officer

**Exhibit 31.2**

I, Daniel C. Janki, certify that:

- 1. I have reviewed this quarterly report on Form 10-Q of Delta Air Lines, Inc. ("Delta") for the quarterly period ended **June 30, 2023** **September 30, 2023**;
- 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Delta as of, and for, the periods presented in this report;
- 4. Delta's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Delta and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Delta, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of Delta's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in Delta's internal control over financial reporting that occurred during Delta's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Delta's internal control over financial reporting; and
- 5. Delta's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Delta's auditors and the Audit Committee of Delta's Board of Directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Delta's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Delta's internal control over financial reporting.

July 13, October 12, 2023

/s/ Daniel C. Janki

Daniel C. Janki

Executive Vice President and Chief Financial Officer

July 13, October 12, 2023  
 Securities and Exchange Commission  
 100 F Street, NE  
 Washington, D.C. 20549

Ladies and Gentlemen:

The certifications set forth below are hereby submitted to the Securities and Exchange Commission pursuant to, and solely for the purpose of complying with, Section 1350 of Chapter 63 of Title 18 of the United States Code in connection with the filing on the date hereof with the Securities and Exchange Commission of the quarterly report on Form 10-Q of Delta Air Lines, Inc. ("Delta") for the quarterly period ended June 30, 2023 September 30, 2023 (the "Report").

Each of the undersigned, the Chief Executive Officer and the Executive Vice President and Chief Financial Officer, respectively, of Delta, hereby certifies that, as of the end of the period covered by the Report:

1. such Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Delta.

/s/ Edward H. Bastian

Edward H. Bastian

Chief Executive Officer

/s/ Daniel C. Janki

Daniel C. Janki

Executive Vice President and Chief Financial Officer

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