

May 5, 2023

**FIRST QUARTER 2023****STRONG REVENUE GROWTH AND IMPROVEMENT OF OPERATING RESULT****POSITIVE ADJUSTED OPERATING FREE CASH FLOW AT €0.7 BILLION  
DRIVEN BY STRONG SUMMER TICKET SALES**

- Strong demand with 19.7m passengers onboard, up 35% versus 2022
- Group revenues at €6.3bn, an improvement of €1.9bn (+42%) compared to last year thanks to continuous strong market demand
- Group unit cost<sup>1</sup> per ASK stable at +0.7% versus 2022
- Operating result at -€0.3bn with operating margin at -4.8%, above 2022 level (-7.9%)
- Positive Adjusted operating free cash flow at €0.7bn and solid cash at hand at €9.7bn
- Net debt down by €0.9bn euros, compared to end of 2022
- Continued deleveraging: Net debt/EBITDA ratio at 1.5x versus 1.8x end of 2022

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

*" In the first quarter, Air France-KLM further capitalized on the recovery momentum in the airline industry. I'd like to thank all my colleagues who have worked tirelessly throughout the quarter to ensure we continue on our path to sustained profitability. The Group continued to show strong revenue growth as well as robust cash flow generation thanks to the very encouraging summer ticket sales. This is paving the way for a busy holiday season across our global network, which all of our teams are actively gearing up for. I am also pleased that we have now fully repaid all State aid, which releases us from the associated restrictions and gives us back our full strategic autonomy. We now stand on our own feet. Looking ahead, we remain focused on further strengthening our balance sheet and delivering the transformation efforts that will enable us to continue to improve our competitiveness while accelerating our decarbonization efforts."*

**Operating result improved by revenue growth**

	First Quarter		
	2023	Change	Change constant currency
Revenues (€m)	6,329	+42.4%	+40.6%
EBITDA (€m)	286	65	83
Operating result (€m)	-306	44	64
Operating margin (%)	-4.8%	+3.0 pt	+3.4 pt
Net income – Group part (€m)	-344	+208	
Adj. operating free cash flow (€m)	683	53	
Net debt at end of period (€m) <sup>2</sup>	5,478	-859	

<sup>1</sup> Against a constant currency and constant fuel price and excluding furlough

<sup>2</sup> Change versus 31 Dec 2022

In Q1 2023, revenues were up 40.6% against a constant currency compared to Q1 2022, mainly driven by a higher capacity and a higher passenger load factor. Operating result improved compared to last year by €44 million. The operating margin improved against a constant currency by 3.4 points to -4.8%. Last year, the operating result benefitted from a €210 million furlough contribution. Corrected for this furlough contribution, the improvement of the operating result amounted to €254 million.

The adjusted operating free cash flow amounted to €683 million, an improvement of €53 million compared to last year, driven by strong summer ticket sales. The net debt ended at €5.5 billion, down €0.9 billion compared to year end 2022.

	First Quarter		
	2023	Change	Change constant currency
Passengers (thousands)	19,651	+35.3%	
Capacity (ASK m)	69,583	+19.8%	
Traffic (RPK m)	59,921	+38.9%	
Passenger load factor	86.1%	+11.8 pt	
Passenger unit revenue per ASK (€ cts)	7.38	+36.9%	+35.3%
Group unit revenue per ASK (€ cts)	8.20	+21.4%	+20.1%
Group unit cost per ASK (€ cts) at constant fuel	8.65	+17.4%	+5.2%

In the first quarter 2023, Air France-KLM welcomed 19.7 million passengers which is 35.3% above the previous year. As capacity increased by 19.8% and traffic grew by 38.9%, the load factor increased by 11.8 points compared to last year. Group passenger unit revenue per ASK increased by 35.3% against a constant currency compared to last year. This increase was driven by both load factor and yield.

Group unit cost per ASK at constant fuel and constant currency is up 5.2% versus last year due to €210 million euro furlough contribution last year and inflationary pressure on costs in 2023. The inflation started last year after the outbreak of the Ukraine war and is seen in several cost categories such as staff costs, handling costs and general expenses. Corrected for last year's furlough contribution, the Group unit cost per ASK against a constant currency and constant fuel price increased slightly by 0.7%.

## **Air France-KLM is now relieved from Covid-19 State aid support and related restrictions**

- In January 2023, Air France-KLM issued Sustainability-linked Bonds for a total aggregate amount of €1.0 billion.
- In March 2023, the Group fully redeemed the outstanding €2.5 billion bank loan guaranteed by the French State (PGE) by using the proceeds of the Sustainability-linked Bonds and €1.5 billion liquidity.
- Also in March 2023, Air France-KLM repaid and refinanced €300 million of the €600 million outstanding perpetual hybrid bonds held by the French State.
- In April 2023, Air France-KLM and Air France combined and KLM implemented two new Sustainability Linked Revolving Credit Facilities (RCF) for a total amount of €2.2 billion.
- This new RCF for KLM replaced both the remaining direct loan granted to KLM by the Dutch State and the credit facility guaranteed by the Dutch State, both of which were cancelled by KLM. Pursuant to this cancellation, conditions attached to this aid no longer apply.
- On April 19<sup>th</sup>, 2023, Air France-KLM has fully repaid, the €300 million remaining French State hybrid perpetual bonds and paid the required compensation of the French State for the shares subscribed in April 2021 without change required of the capital ownership. The Group has therefore refinanced €407 million with a new issuance of hybrid perpetual bonds

with the French State, without any restrictions attached, resulting in a full exit of the French Recapitalization State Aid under the EU Covid-19 Temporary Framework.

As announced during the Full Year 2022 results presentation, Air France-KLM intends to restore its balance sheet, aside from net profit generation, by means of non dilutive initiatives such as quasi-equity financing instruments (similarly to the one raised by Air France on a pool of spare engines in July 2022), and/or straight hybrid bonds.

Air France-KLM announced yesterday that it was entering into exclusive discussions with Apollo Global Management for a €500 million quasi equity financing into an affiliate owning Engineering and Maintenance (MRO) assets. This transaction would mark a further step towards the reinforcement of the Group's equity. Meanwhile, the Group received several non-binding offers on quasi equity financing supported by the Loyalty Program. Discussions are still ongoing with potential investors.

## **2023 OUTLOOK**

### **Capacity**

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

- 90%-95% for the second quarter of 2023
- circa 95% for the third quarter of 2023
- above 95% for the fourth quarter of 2023
- circa 95% for the full year 2023

Transavia will contribute to this growth and expects to be at circa 135% for the Full Year 2023. All indices compared to the respective period of 2019.

### **Unit cost**

The Group expects for full year 2023 a stable unit cost, against a constant fuel price, constant currency and excluding furlough contribution, compared to FY 2022.

### **Capital expenditures (Capex)**

Full year 2023 Net Capex spending is estimated at 3.0 billion euros.

## **BUSINESS REVIEW**

### **Network: Significant improvement in revenues and operating result**

Network	First Quarter		
	2023	Change	Change constant currency
Total revenues (€m)	5,575	+43.2%	+41.9%
Scheduled revenues (€m)	5,329	+45.0%	+43.4%
Operating result (€m)	-149	+160	+178

Compared to the first quarter 2022, total revenues increased by 41.9% at constant currency to €5,575 million. The operating result improved by €160 million and amounted to –€149 million. The increase in revenues was driven by the network passenger business while the Cargo revenues declined compared to an exceptionally strong first quarter last year.

### **Strong yields and load factors on our diversified network**

Passenger network	First Quarter		
	2023	Change	Change constant currency
Passengers (thousands)	15,787	+32.2%	
Capacity (ASK m)	61,975	+17.9%	
Traffic (RPK m)	52,966	+36.3%	
Load factor	85.5%	+11.5 pt	
Total passenger revenues (€m)	4,903	+64.3%	+62.5%
Scheduled passenger revenues (€m)	4,752	+65.1%	+63.0%
Unit revenue per ASK (€ cts)	7.67	+40.0%	+38.3%

First quarter 2023 capacity in Available Seat Kilometers (ASK) was 17.9% higher than last year and at 89% of 2019 first quarter level, which is at the same level as the Group's outlook provided during the Full Year 2022 results presentation, circa 90% versus 2019.

Unit revenue per ASK increased by 38.3% at a constant currency thanks to strong demand which resulted in an increase in load factor of 11.5 points and a yield increase of 21% compared to last year.

During the first quarter we observed the following trends per area compared to the first quarter last year:

- North Atlantic: Demand recovery continued to be driven by point of origin North America with a positive impact on yield. Corporate traffic recovery maintained at index ~75/80 vs pre-Covid levels and premium cabins load factor performing well.
- Latin America: Strong performance with on average a further 33% increase compared to Q1 2022. Load factor stood at 90% supporting the high unit revenue levels.
- Asia & Middle East: The performance benefited from additional capacity with the reopening of China (Beijing & Hong Kong). Good performance with strong yields mainly for Greater China, Japan and Korea driven by the premium cabins. Compared to last year, the yield increase is more limited than in the other areas due to exceptional high yields in Asia last year as a result of very limited capacity.
- Caribbean & Indian Ocean: Capacity has been reduced compared to last year which was already above pre-Covid level. Yield environment was positive given the year over year increase of 27%.
- Africa: Strong performance in line with the previous quarter, driven by West and Central Africa for Air France and by East & South Africa for KLM. Yields were maintained at good levels, mainly thanks to the performance in premium cabins by West and Central Africa.

- Short and Medium-haul: Better yield trends and higher load factor partly offset for KLM and fully for Air France the revenue loss linked to capacity decrease.

Compared to the end of 2022 the Group added one B787-10, five B737-800, five A220-300 and one Embraer 195-E2. The following aircraft left the fleet, two B737-700, one A321, two A319 and one CRJ-1000, as a result the fleet increased by six aircraft.

In 2023 and beyond the Group will continue to invest in new generation aircraft in order to improve its economic and environmental performance. During the second half of 2023, the first Airbus A320neo/A321neo will be delivered.

### **Cargo: Revenues and unit revenues down compared to an exceptionally strong first quarter last year**

<b>Cargo business</b>	<b>First Quarter</b>		
	<b>2023</b>	<b>Change</b>	<b>Change constant currency</b>
Tons (thousands)	209	-11.6%	
Capacity (ATK m)	3,291	+10.7%	
Traffic (RTK m)	1,557	-11.8%	
Load factor	47.3%	-12.0 pt	
Total Cargo revenues (€m)	672	-26.1%	-26.4%
Scheduled cargo revenues (€m)	576	-27.7%	-27.9%
Unit revenue per ATK (€ cts )	17.51	-34.6%	-34.9%

Due to the resumption of passenger travel, belly capacity improved and resulted in an increase in Available Ton Kilometers of 10.7% versus the first quarter of 2022. After the first quarter last year the demand for air cargo decreased due to slower growth of global trade and the partial rebound of sea freight. The first quarter last year still showed an exceptionally strong demand and therefore traffic decreased year over year by 11.8%. The yield declined as well resulting in a decrease in unit revenue per Available Ton Kilometer of almost 35% against a constant currency. Total revenues dropped by 26.4% against a constant currency versus the same quarter last year.

At the beginning of April, Air France-KLM and CMA CGM announced the effective launch of the long-term strategic air cargo partnership they made public in May 2022. This partnership will have an initial duration of 10 years and will see Air France-KLM Martinair Cargo and CMA CGM Air Cargo combine their complementary cargo networks, full freighter capacity and dedicated services to build an even more compelling offering thanks to their unrivalled knowhow and global footprint.

## Transavia: Significant increase in capacity and traffic

Transavia	First Quarter	
	2023	Change
Passengers (thousands)	3,864	+49.7%
Capacity (ASK m)	7,607	+38.5%
Traffic (RPK m)	6,955	+63.0%
Load factor	91.4%	+13.7 pt
Total passenger revenues (€m)	378	+52.0%
Unit revenue per ASK (€ cts)	5.01	+9.7%
Unit cost per ASK (€ cts)	7.26	+16.4%
Operating result (€m)	-172	-80

Compared to the first quarter 2022, the demand in leisure traffic in Europe and North Africa continued to grow. The capacity increased by 38.5%, traffic increased by 63%, and the number of passengers increased by 49.7% resulting in a load factor 13.7 points above 2022. As the flown capacity in the first quarter last year was rather limited due to the impact of Omicron virus, the routes that were operated showed outstanding yields. Therefore the yield decreased year over year, although the unit revenue per ASK increased thanks to the higher load factor.

The operating result stood at -€172 million and decreased by €80 million compared to the same quarter last year. This decrease was caused by higher costs, mainly related to a higher fuel price, an increase in handling costs and partly due to the furlough contribution last year. The operating result was also impacted by Air Traffic Control strikes in France and grounded aircraft in the Netherlands.

The fleet of Transavia reached 104 aircraft by the end of the quarter.

## Maintenance business: Operating result slightly positive

Maintenance	First Quarter		
	2023	Change	Change constant currency
Total revenues (€m)	926	+11.4%	
Third-party revenues (€m)	370	+24.4%	+16.9%
Operating result (€m)	15	-28	-32
Operating margin (%)	1.7%	-3.6 pt	-3.9 pt

The Maintenance operating result stood at €15 million, a decrease of €32 million against a constant currency caused by increase in costs. The main cost categories increased relatively more than the revenue increase. Revenue growth was hampered by supply chain disruption, in particular on the GE90 engine. Staff costs increased mainly due to the furlough contribution last year.

Total revenues increased by 11.4% compared with the same quarter last year while third party revenues increased by 24.4% and 16.9% at constant currency, showing a strong recovery.

The operating margin stood at 1.7%, which is 3.9 point at constant currency lower than the operating margin in the first quarter 2022.

## Adjusted operating free cash flow at €0.7 billion leading to a Net debt/EBITDA ratio at 1.5x

The Group generated an adjusted operating free cash flow in the first quarter of €0.7 billion driven by strong summer sales, which is €53 million higher than last year.

<i>In € million</i>	<b>31 Mar 2023</b>	<b>31 Dec 2022</b>
Net debt	5,478	6,337
EBITDA <i>trailing 12 months</i>	3,680	3,615
<b>Net debt/EBITDA</b>	<b>1.5 x</b>	<b>1.8 x</b>

## Acceleration in revenue generation for both airlines

### Air France Group

	<b>First Quarter</b>	
	<b>2023</b>	<b>Change</b>
Revenue (in €m)	3,924	+46.3%
EBITDA (in €m)	214	+236
Operating result (in €m)	-181	+182
<i>Operating margin (%)</i>	-4.6%	+8.9 pt

### KLM Group

	<b>First Quarter</b>	
	<b>2023</b>	<b>Change</b>
Revenue (in €m)	2,522	+32.5%
EBITDA (in €m)	70	-164
Operating result (in €m)	-128	-131
<i>Operating margin (%)</i>	-5.1%	-5.2 pt

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

\*\*\*\*\*

The results presentation is available at [www.airfranceklm.com](http://www.airfranceklm.com) on May 5, 2023 from 7:00 am CET.

A conference call hosted by Mr. Smith (CEO) and Mr. Zaat (CFO) will be held on May 5, 2023, at 08.15 am CET.

To connect to the conference call, please dial:

- France: Local +33 (0)1 70 72 25 50
- Netherlands: Local +31 (0) 20 703 8211
- UK: Local +44 (0)330 165 3655
- US: Local +1 323-994-2093

Confirmation code: 9880361

### **Investor Relations**

**Michiel Klinkers**

[Michiel.klinkers@airfranceklm.com](mailto:Michiel.klinkers@airfranceklm.com)

**Marouane Mami**

[mamami@airfranceklm.com](mailto:mamami@airfranceklm.com)

### **Press**

+33 1 41 56 56 00



## Income Statement

<i>In million euros</i>	First Quarter		
	2023	2022*	Change
<b>Revenues from ordinary activities</b>	<b>6,329</b>	<b>4,445</b>	<b>42%</b>
Aircraft fuel	-1,780	-996	79%
Carbon emission	-32	-11	191%
Chartering costs	-90	-101	-11%
Landing fees and air route charges	-413	-348	19%
Catering	-186	-142	31%
Handling charges and other operating costs	-426	-320	33%
Aircraft maintenance costs	-648	-515	26%
Commercial and distribution costs	-257	-154	67%
Other external expenses	-457	-333	37%
Salaries and related costs	-2,009	-1,522	32%
Taxes other than income taxes	-55	-47	17%
Other income and expenses	310	265	17%
<b>EBITDA</b>	<b>286</b>	<b>221</b>	<b>29%</b>
Amortization, depreciation and provisions	-592	-571	4%
<b>Income from current operations</b>	<b>-306</b>	<b>-350</b>	<b>-13%</b>
Sales of aircraft equipment	5	0	nm
Other non-current income and expenses	-3	-6	-50%
<b>Income from operating activities</b>	<b>-304</b>	<b>-356</b>	<b>-15%</b>
Cost of financial debt	-158	-141	12%
Income from cash and cash equivalent	49	-2	nm
<b>Net cost of financial debt</b>	<b>-109</b>	<b>-143</b>	<b>-24%</b>
Other financial income and expenses	35	-47	nm
<b>Income before tax</b>	<b>-378</b>	<b>-546</b>	<b>-31%</b>
Income taxes	41	-4	nm
<b>Net income of consolidated companies</b>	<b>-337</b>	<b>-550</b>	<b>-39%</b>
Share of profits (losses) of associates	0	-2	nm
<b>Net income for the period</b>	<b>-337</b>	<b>-552</b>	<b>-39%</b>
Non-controlling interests	7	0	nm
<b>Net income for the period – Group part</b>	<b>-344</b>	<b>-552</b>	<b>-38%</b>

\* Restated figures as the expense corresponding to the obligation to surrender quotas of the period have been integrated in "Carbon emission" coming from "Other income and expense"

## Consolidated Balance Sheet

<b>Assets</b>		
<i>In million euros</i>	<b>31 Mar 2023</b>	<b>31 Dec 2022*</b>
Goodwill	225	225
Intangible assets	1,126	1,127
Flight equipment	10,954	10,614
Other property, plant and equipment	1,372	1,375
Right-of-use assets	5,304	5,428
Investments in equity associates	122	120
Pension assets	41	39
Other non-current financial assets	1,202	1,184
Non-current derivatives financial assets	184	262
Deferred tax assets	777	714
<b>Total non-current assets</b>	<b>21,307</b>	<b>21,088</b>
Other current financial assets	572	620
Current derivatives financial assets	238	327
Inventories	750	723
Trade receivables	2,112	1,785
Other current assets	1,158	1,057
Cash and cash equivalents	5,823	6,626
Assets held for sale	81	79
<b>Total current assets</b>	<b>10,734</b>	<b>11,217</b>
<b>Total assets</b>	<b>32,041</b>	<b>32,305</b>
<b>Liabilities and equity</b>	<b>31 Mar 2023</b>	<b>31 Dec 2022*</b>
Issued capital	2,571	2,571
Additional paid-in capital	5,217	5,217
Treasury shares	-25	-25
Perpetual	945	933
Reserves and retained earnings	-12,136	-11,700
<b>Equity attributable to equity holders of Air France-KLM</b>	<b>-3,428</b>	<b>-3,004</b>
Non-controlling interests	531	524
<b>Total Equity</b>	<b>-2,897</b>	<b>-2,480</b>
Pension provisions	1,653	1,634
Non-current return obligation liabilities and provisions for leased aircraft and other provisions	4,103	4,149
Non-current financial liabilities	8,179	9,657
Non-current lease debt	3,226	3,318
Non-current derivatives financial liabilities	38	21
Deferred tax liabilities	1	1
Other non-current liabilities	1,834	2,343
<b>Total non-current liabilities</b>	<b>19,034</b>	<b>21,123</b>
Current return obligation liabilities and provisions for leased aircraft and other provisions	663	740
Current financial liabilities	758	896
Current lease debt	817	834
Current derivatives financial liabilities	161	83
Trade payables	2,581	2,424
Deferred revenue on ticket sales	5,221	3,725
Frequent flyer programs	882	900
Other current liabilities	4,815	4,057
Bank overdrafts	6	3
<b>Total current liabilities</b>	<b>15,904</b>	<b>13,662</b>
<b>Total equity and liabilities</b>	<b>32,041</b>	<b>32,305</b>

\* Free CO2 quotas allocated by the State and the ones purchased on the market recognized as "intangible assets" are now disclosed in the line "other assets"

## Statement of Consolidated Cash Flows from 1 January until 31 March

<i>In million euros</i>	<b>31 Mar 2023</b>	<b>31 Mar 2022*</b>
Net income	-337	-552
Amortization, depreciation and operating provisions	592	571
Financial provisions	51	35
Loss (gain) on disposals of tangible and intangible assets	-4	0
Derivatives – non monetary result	0	-5
Unrealized foreign exchange gains and losses, net	-48	31
Share of (profits) losses of associates	0	2
Deferred taxes	-39	1
Impairment	1	5
Other non-monetary items	-136	-43
<b>Financial Capacity</b>	<b>80</b>	<b>45</b>
(Increase) / decrease in inventories	-28	-48
(Increase) / decrease in trade receivables	-319	-411
Increase / (decrease) in trade payables	141	492
Increase / (decrease) in advanced ticket sales	1,477	1,245
Change in other assets and liabilities	199	26
<b>Change in working capital requirement</b>	<b>1,470</b>	<b>1,304</b>
<b>Net cash flow from operating activities</b>	<b>1,550</b>	<b>1,349</b>
Acquisition of subsidiaries, of shares in non-controlled entities	-2	0
Purchase of property, plant and equipment and intangible assets	-779	-672
Proceeds on disposal of property, plant and equipment and intangible assets	131	171
Decrease (increase) in net investments, more than 3 months	56	5
<b>Net cash flow used in investing activities</b>	<b>-594</b>	<b>-496</b>
Perpetual	20	0
Coupons on perpetual	-25	0
Issuance of debt	1,323	291
Repayment on debt	-2,790	-304
Payments on lease debt	-219	-218
New loans	-43	-87
Repayment on loans	3	22
<b>Net cash flow from financing activities</b>	<b>-1,731</b>	<b>-296</b>
Effect of exchange rate on cash and cash equivalents and bank overdrafts (net of cash acquired or sold)	-31	5
<b>Change in cash and cash equivalents and bank overdrafts</b>	<b>-806</b>	<b>562</b>
Cash and cash equivalents and bank overdrafts at beginning of period	6,623	6,654
Cash and cash equivalents and bank overdrafts at end of period	5,817	7,216

\* Restated figures include the change in accounting policy regarding CO2 quotas moving from “net cash flow used in investing activities” towards “net cash flow from operating activities”

## Return on capital employed (ROCE)

<i>In million euros</i>	<b>31 Mar 2023</b>	<b>31* Dec 2022</b>	<b>30* Sep 2022</b>	<b>30* Jun 2022</b>	<b>31* Mar 2022</b>	<b>31* Dec 2021</b>	<b>30* Sep 2021</b>	<b>30* Jun 2021</b>
Goodwill and intangible assets	1,351	1,352	1,350	1,361	1,363	1,380	1,384	1,392
Flight equipment	10,954	10,614	10,298	10,521	10,537	10,466	10,478	10,645
Other property, plant and equipment	1,372	1,375	1,349	1,358	1,378	1,402	1,418	1,453
Right-of-use assets	5,304	5,428	5,536	5,439	5,205	5,148	5,061	5,033
Investments in equity associates	122	120	111	108	107	109	172	166
Financial assets excluding marketable securities and financial deposits	169	169	164	162	158	157	147	147
Provisions, excluding pension, cargo litigation and restructuring	-4,255	-4,347	-4,792	-4,473	-4,240	-4,180	-4,180	-4,033
WCR, excluding market value of derivatives	-11,313	-9,882	-10,359	-11,080	-9,480	-8,185	-7,923	-7,673
<b>Capital employed</b>	<b>3,704</b>	<b>4,829</b>	<b>3,657</b>	<b>3,396</b>	<b>5,028</b>	<b>6,297</b>	<b>6,557</b>	<b>7,130</b>
<b>Average capital employed (A)</b>		<b>3,897</b>				<b>6,253</b>		
Adjusted results from current operations		1,237				-795		
- Dividends received		-1				0		
- Share of profits (losses) of associates		14				-22		
- Normative income tax		-323				230		
<b>Adjusted result from current operations after tax (B)</b>		<b>927</b>				<b>-587</b>		
<b>ROCE, trailing 12 months (B/A)</b>		<b>23.8%</b>				<b>-9.4%</b>		

\* Restated figures include the change in accounting principles for CO<sub>2</sub> quotas

## Net debt

<i>In million euros</i>	Balance sheet at	
	31 Mar 2023	31 Dec 2022
Current and non-current financial liabilities	8,937	10,553
Current and non-current lease debt	4,043	4,152
Accrued interest	-108	-127
Deposits related to financial liabilities	-104	-101
Deposits related to lease debt	-99	-99
Derivatives impact on debt	-21	-35
<b>Gross financial liabilities (A)</b>	<b>12,648</b>	<b>14,343</b>
Cash and cash equivalents	5,823	6,626
Marketable securities > 3 months	517	572
Bonds	836	811
Bank overdrafts	-6	-3
<b>Net cash (B)</b>	<b>7,170</b>	<b>8,006</b>
<b>Net debt (A) – (B)</b>	<b>5,478</b>	<b>6,337</b>

## Adjusted operating free cash flow

<i>In million euros</i>	First quarter	
	2023	2022*
Net cash flow from operating activities	1,550	1,349
Investment in property, plant, equipment and intangible assets	-779	-672
Proceeds on disposal of property, plant, equipment and intangible assets	131	171
<b>Operating free cash flow</b>	<b>902</b>	<b>848</b>
Payments on lease debt	-219	-218
<b>Adjusted operating free cash flow</b>	<b>683</b>	<b>630</b>

\* Restated figures include the change in accounting policy regarding CO2 quotas moving from “net cash flow used in investing activities” towards “net cash flow from operating activities”

## Bridge from EBITDA to Financial capacity

<i>In million euros</i>	First Quarter	
	2023	2022
<b>EBITDA</b>	286	221
Provisions (risk and other)	-8	0
Correction of spare parts inventory	0	1
Addition to pension provisions	33	32
Reversal to pension provisions (cash-out)	-14	-13
Sales of tangible and intangible assets (excluding aeronauticals)	-2	0
<b>Income from operation activities - cash impact</b>	<b>295</b>	<b>241</b>
Restructuring costs	-35	-56
Other non-current income and expenses	-2	-1
Cost of financial liability	-263	-144
Financial income	44	-5
Realized foreign exchanges gain/loss	38	14
Current income tax	2	-4
Other elements	1	0
<b>Self-financing capacity</b>	<b>80</b>	<b>45</b>

## Unit cost: net cost per ASK

	First Quarter	
	2023	2022
Revenues (in €m)	6,329	4,445
Income/(loss) from current operations (in €m) -/-	306	350
Total operating expense (in €m)	6,635	4,795
Passenger network business – other revenues (in €m)	-151	-105
Cargo network business – other revenues (in €m)	-96	-114
Third-party revenues in the maintenance business (in €m)	-370	-297
Transavia - other revenues (in €m)	3	2
Third-party revenues of other businesses (in €m)	-6	-6
<b>Net cost (in €m)</b>	<b>6,015</b>	<b>4,276</b>
Capacity produced, reported in ASK*	69,583	58,064
<b>Net cost per ASK (in € cents per ASK)</b>	<b>8.65</b>	<b>7.36</b>
<i>Gross change</i>		17.4%
Currency effect on net costs (in €m)		60
<i>Change at constant currency</i>		15.8%
Fuel price effect (in €m)		438
<b>Net cost per ASK on a constant currency and fuel price basis (in € cents per ASK)</b>	<b>8.65</b>	<b>8.22</b>
<b><i>Change at constant currency and fuel price basis</i></b>		<b>+5.2%</b>
<b><i>Furlough</i></b>		<b>+210</b>
	<b>8.65</b>	<b>8.59</b>
<b><i>Change at constant currency and fuel price basis excluding furlough</i></b>		<b>+0.7%</b>

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

## Group fleet at 31 March 2023

Aircraft type	AF (incl. HOP)	KL (incl. KLC & MP)	Transavia	Owned	Finance lease	Operating lease	Total	In operation	Change / 31/12/22
B777-300	43	16		19	16	24	59	59	
B777-200	18	15		27	1	5	33	33	
B787-9	10	13		4	7	12	23	23	
B787-10		8		1	7		8	8	1
A380-800	4			2	1	1	4		
A350-900	20			3	7	10	20	20	
A330-300		5				5	5	5	
A330-200	15	6		11		10	21	21	
<b>Total Long-Haul</b>	<b>110</b>	<b>63</b>	<b>0</b>	<b>67</b>	<b>39</b>	<b>67</b>	<b>173</b>	<b>169</b>	<b>1</b>
B737-900		5		5			5	5	
B737-800		31	100	34	8	89	131	127	2
B737-700		7	4	7		4	11	10	
A321	17			9		8	17	16	-2
A320	39			4	3	32	39	38	-1
A319	17			11		6	17	16	-1
A318	9			5		4	9	9	
A220-300	21			15		6	21	21	6
<b>Total Medium-Haul</b>	<b>103</b>	<b>43</b>	<b>104</b>	<b>90</b>	<b>11</b>	<b>149</b>	<b>250</b>	<b>242</b>	<b>4</b>
Canadair Jet 1000	5			5			5		
Canadair Jet 700									
Embraer 195 E2		15				15	15	15	1
Embraer 190	19	30		17	4	28	49	49	
Embraer 175		17		3	14		17	17	
Embraer 170	13			10		3	13	13	
Embraer 145									
<b>Total Regional</b>	<b>37</b>	<b>62</b>	<b>0</b>	<b>35</b>	<b>18</b>	<b>46</b>	<b>99</b>	<b>94</b>	<b>1</b>
B747-400ERF		3		3			3	3	
B747-400BCF		1		1			1	1	
B777-F	2					2	2	2	
<b>Total Cargo</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>6</b>	<b>0</b>
<b>Total</b>	<b>252</b>	<b>172</b>	<b>104</b>	<b>196</b>	<b>68</b>	<b>264</b>	<b>528</b>	<b>511</b>	<b>6</b>



## FIRST QUARTER 2023 TRAFFIC

### Passenger network activity\*

Total Passenger network*	Q1		
	2023	2022	Variation
Passengers carried ('000s)	15,787	11,942	32.2%
Revenue pax-kilometers (m RPK)	52,966	38,866	36.3%
Available seat-kilometers (m ASK)	61,975	52,570	17.9%
Load factor (%)	85.5%	73.9%	11.5
<b>Long-haul</b>			
Passengers carried ('000s)	5,939	4,381	35.6%
Revenue pax-kilometers (m RPK)	44,509	32,326	37.7%
Available seat-kilometers (m ASK)	51,539	43,240	19.2%
Load factor (%)	86.4%	74.8%	11.6
<b>North America</b>			
Passengers carried ('000s)	1,785	1,238	44.2%
Revenue pax-kilometers (m RPK)	12,852	9,056	41.9%
Available seat-kilometers (m ASK)	15,615	13,152	18.7%
Load factor (%)	82.3%	68.9%	13.4
<b>Latin America</b>			
Passengers carried ('000s)	892	675	32.2%
Revenue pax-kilometers (m RPK)	8,492	6,511	30.4%
Available seat-kilometers (m ASK)	9,390	7,657	22.6%
Load factor (%)	90.4%	85.0%	5.4
<b>Asia / Middle East</b>			
Passengers carried ('000s)	1,206	634	90.2%
Revenue pax-kilometers (m RPK)	9,210	4,392	109.7%
Available seat-kilometers (m ASK)	10,606	7,219	46.9%
Load factor (%)	86.8%	60.8%	26.0
<b>Africa</b>			
Passengers carried ('000s)	1,041	816	27.6%
Revenue pax-kilometers (m RPK)	6,442	4,792	34.4%
Available seat-kilometers (m ASK)	7,599	6,298	20.7%
Load factor (%)	84.8%	76.1%	8.7
<b>Caribbean / Indian Ocean</b>			
Passengers carried ('000s)	1,016	1,018	(0.3%)
Revenue pax-kilometers (m RPK)	7,512	7,575	(0.8%)
Available seat-kilometers (m ASK)	8,329	8,914	(6.6%)
Load factor (%)	90.2%	85.0%	5.2
<b>Short and Medium-haul</b>			
Passengers carried ('000s)	9,848	7,561	30.2%
Revenue pax-kilometers (m RPK)	8,457	6,541	29.3%
Available seat-kilometers (m ASK)	10,436	9,331	11.8%
Load factor (%)	81.0%	70.1%	10.9

\* Air France and KLM

### Transavia activity

Transavia	Q1		
	2023	2022	Variation
Passengers carried ('000s)	3,864	2,581	49.7%
Revenue pax-kilometers (m RPK)	6,955	4,268	63.0%
Available seat-kilometers (m ASK)	7,607	5,494	38.5%
Load factor (%)	91.4%	77.7%	13.7

### Total group passenger activity\*\*

Total group**	Q1		
	2023	2022	Variation
Passengers carried ('000s)	19,651	14,523	35.3%
Revenue pax-kilometers (m RPK)	59,921	43,134	38.9%
Available seat-kilometers (m ASK)	69,583	58,064	19.8%
Load factor (%)	86.1%	74.3%	11.8

\*\* Air France, KLM and Transavia

### Cargo activity

Total Group	Q1		
	2023	2022	Variation
Revenue tonne-km (m RTK)	1,557	1,766	(11.8%)
Available tonne-km (m ATK)	3,291	2,974	10.7%
Load factor (%)	47.3%	59.4%	(12.0)

## Air France activity

Total Passenger network activity	Q1		
	2023	2022	Variation
Passengers carried ('000s)	9,457	7,105	33.1%
Revenue pax-kilometers (m RPK)	31,981	23,087	38.5%
Available seat-kilometers (m ASK)	37,311	30,871	20.9%
Load factor (%)	85.7%	74.8%	10.9

Long-haul			
Passengers carried ('000s)	3,696	2,766	33.6%
Revenue pax-kilometers (m RPK)	26,961	19,452	38.6%
Available seat-kilometers (m ASK)	31,147	25,733	21.0%
Load factor (%)	86.6%	75.6%	11.0

Short and Medium-haul			
Passengers carried ('000s)	5,761	4,339	32.8%
Revenue pax-kilometers (m RPK)	5,021	3,635	38.1%
Available seat-kilometers (m ASK)	6,165	5,137	20.0%
Load factor (%)	81.4%	70.8%	10.7

Cargo activity	Q1		
	2023	2022	Variation
Revenue tonne-km (m RTK)	789	907	(13.0%)
Available tonne-km (m ATK)	1,860	1,657	12.3%
Load factor (%)	42.4%	54.7%	(12.3)

## KLM activity

Total Passenger network activity	Q1		
	2023	2022	Variation
Passengers carried ('000s)	6,330	4,837	30.9%
Revenue pax-kilometers (m RPK)	20,984	15,780	33.0%
Available seat-kilometers (m ASK)	24,664	21,700	13.7%
Load factor (%)	85.1%	72.7%	12.4

Long-haul			
Passengers carried ('000s)	2,242	1,614	38.9%
Revenue pax-kilometers (m RPK)	17,548	12,874	36.3%
Available seat-kilometers (m ASK)	20,393	17,506	16.5%
Load factor (%)	86.1%	73.5%	12.5

Short and Medium-haul			
Passengers carried ('000s)	4,088	3,222	26.8%
Revenue pax-kilometers (m RPK)	3,436	2,906	18.2%
Available seat-kilometers (m ASK)	4,272	4,194	1.9%
Load factor (%)	80.4%	69.3%	11.1

Cargo activity	Q1		
	2023	2022	Variation
Revenue tonne-km (m RTK)	768	859	(10.6%)
Available tonne-km (m ATK)	1,427	1,317	8.4%
Load factor (%)	53.8%	65.2%	(11.4)