

February 17, 2023

**FULL YEAR 2022 RESULTS****BACK TO POSITIVE NET INCOME AFTER A SUCCESSFUL YEAR IN A CHALLENGING CONTEXT****POSITIVE OPERATING RESULT FOR BOTH AIR FRANCE AND KLM THANKS TO SIGNIFICANT INCREASE IN REVENUES AND TRANSFORMATION EFFORTS**

- Strong Group capacity ramp up at 85% compared to 2019 with load factor at 84%
- Group revenues at €26.4bn, with highest fourth quarter revenues in history
- Operating result at €1.2bn with operating margin at 4.5% above 2019 level (4.2%), despite surging fuel price
- Positive net income at €0.7bn supporting the Group's equity restoration
- Positive Adjusted operating free cash flow at €1.9bn and solid cash at hand at €10.6bn
- Net debt down by €1.9bn euros, compared to end of 2021

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

*“Throughout 2022, Air France-KLM once again demonstrated its resilience and agility in a context of unprecedented crises. In spite of the Omicron strain, the war in Ukraine, the inflationary situation and the operational disruptions at major international airports last summer, our Group and its airlines were able to successfully capture a strong demand for travel.*

*On the financial side, we successfully undertook major operations to both restore our equity and consolidate our balance sheet while continuing to pay back the State aids we received. We secured landmark deals, including a strategic commercial partnership with CMA CGM Group which became our largest private shareholder.*

*All the while, we moved forward with our transformation efforts at every level of our Group to emerge stronger and more efficient from the pandemic as a leader of sustainable aviation. Our fleet renewal efforts and our investments in SAF fully demonstrate our determination to play an active role in the decarbonization, not just of our own operations, but of the industry as a whole.*

*We close out the year with a positive net income, having turned the page on Covid, and look to the future with confidence in our ability to address the challenges ahead.*

*I would like to thank all the customers who chose to fly our airlines this year as well as all our employees, who made this year a success through their hard work and commitment to excellence.”*

## Highest Q4 revenue in history and Full Year operating margin at 4.5%

	Fourth quarter			Full Year		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Revenues (€m)	7,128	+47.3%	+42.8%	26,393	+84.4%	+79.7%
EBITDA (€m)	786	-42	-40	3,615	+2,870	2,891
Operating result (€m)	134	-45	-42	1,193	+2,819	2,839
Operating margin (%)	1.9%	-1.8 pt	-1.6 pt	4.5%	+15.9 pt	+15.7 pt
Net income – Group part (€m)	496	+622		728	+4,020	
Adj. operating free cash flow (€m)	-551	-776		1,903	+2,534	
Net debt at end of period (€m) <sup>1</sup>				6,337	-1,879	

In Q4 2022, revenues were up 47.3% compared to Q4 2021, a record level in the Group's history, despite a difficult context. Full Year 2022 revenues were up 84.4% up compared to last. This improvement was driven by an increase in capacity, load factor and passenger yield. The Air France-KLM Group posted a positive operating result of 1,193 million euros, up by 2,839 million euros at a constant currency compared to last year. Full Year 2022 operating margin is 0.3 points higher than 2019 (4.2%).

Net income amounted to 728 million euros in Full Year 2022, an increase of 4,020 million euros compared to last year.

	Fourth quarter			Full Year		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Passengers (thousands)	20,995	+32.2%		83,323	+86.5%	
Capacity (ASK m)	72,698	+21.3%		282,826	+44.2%	
Traffic (RPK m)	62,422	+45.7%		237,567	+104.6%	
Passenger load factor	85.9%	14.4pt		84.0%	24.8pt	
Passenger unit revenue per ASK (€ cts)	7.87	+36.5%	+32.3%	7.45	+55.9%	+51.6%
Group unit revenue per ASK (€ cts)	8.88	+22.3%	+18.5%	8.52	+33.4%	+29.5%
Group unit cost per ASK (€ cts) at constant fuel	8.69	+24.9%	+5.1%	8.10	+12.2%	-4.5%

In 2022, Air France-KLM welcomed 83.3 million passengers which is 86.5% above previous year. As capacity increased by 44.2% and traffic grew by 104.6%, the load factor increased by 24.8 points compared to last year.

Group passenger unit revenue per ASK increased by 51.6% 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 down 4.5% versus last year thanks to an increase in capacity and the Group's ongoing transformation efforts.

The full year unit cost is up 1.9% at a constant fuel price and constant currency (USD & related currencies only) versus 2019, with a capacity down by 15%. The ongoing transformation programs enable Air France-KLM to limit the impact of increasing costs such as airport and ATC charges, and the increase of labor cost.

Compared to December 2019, the number of Full Time Equivalents (FTE's) decreased by 16% at Air France (excluding Transavia France) and by 9% at KLM.

In 2022 staff costs decreased by 10% compared to the same quarter in 2019 mainly thanks to FTE reduction and government support on wages, mainly received in the first quarter.

<sup>1</sup> Change versus 31 Dec 2021

## **In 2021 and 2022, Air France-KLM continued redeeming liquidity support while maintaining a solid cash position**

- In December 2021, Air France-KLM redeemed €500 million of the outstanding 4 billion euros bank loan guaranteed by the French State (the “PGE”).
- In June 2022, Air France-KLM successfully completed a €2.256 billion rights issue, of which €1.6 billion were allocated to the partial redemption of the €3.0 billion perpetual hybrid instruments held by the French State.
- End of June 2022, KLM fully redeemed its RCF and Dutch State Loan for a total amount of 0.9 billion euros.
- In July 2022, Air France-KLM and Apollo closed a €500 million transaction whereby Apollo subscribed to perpetual bonds issued by an Air France ad hoc operating affiliate that owns a pool of spare engines dedicated to the airline’s Engineering and Maintenance. The €500 million proceeds were used to further redeem part of the perpetual hybrid instruments held by the French State.
- In November 2022, Air France-KLM successfully placed undated deeply subordinated unsecured bonds convertible into new shares and/or exchangeable for existing shares, for a nominal amount of c. €300 million. The net proceeds of this offering were fully allocated to the partial redemption of the perpetual hybrid instruments held by the French State.
- In November 2022, Air France-KLM continued to deleverage and reprofile its unsecured debt with an agreement with the French state and the syndicate of nine banks participating in the PGE to proceed with the early redemption of an additional €1.0 billion, bringing its outstanding amount to €2.5 billion at end-2022.

Altogether, by December 2022, Air France-KLM redeemed €4.9 billion liquidity support, thus rebalancing the Group’s debt profile.

## **In 2023, Air France-KLM will continue to strengthen its balance sheet...**

- In the course of March 2023, the Group will fully redeem the “PGE” (2.5 billion euros outstanding) by using the 1.0 billion euros proceeds of the Sustainability-Linked Bonds issued in January 2023 and by using an additional 1.5 billion euros of cash.
- In April 2023, Air France & Air France-KLM combined and KLM intends to implement two new Sustainability-linked Revolving Credit Facilities.
- Aside of net profit generation, Air France-KLM intends to restore its balance sheet by means of non dilutive initiatives such as quasi-equity financing instruments<sup>2</sup> (similarly to the one raised by Air France on a pool of spare engines in July 2022), supported by Loyalty Program and/or MRO assets, and/or straight hybrid bonds.

## **... and will be fully released from current States support**

The remaining €1.2bn French State Recapitalization Aid, granted under EU State Aid Covid Temporary Framework, is currently composed by:

- €600m French State perpetual hybrids instruments.
- €600m shares, acquired by the French State as part of the May 2021 right issue.

As of April 19<sup>th</sup>, 2023<sup>3</sup>, Air France-KLM intends to fully exit this current €1.2bn French State recapitalization Aid and its related bans.

Following the approval on February 16<sup>th</sup>, 2023, by the EU Commission of a French State Compensation Aid without any bans, the Group will achieve this exit of the French Recapitalization Aid through the following steps:

- March 2023: Air France-KLM will redeem and refinance €300m of French State perpetual bonds into French State perpetual hybrid instruments without bans attached, enabling to cross the 75% redemption threshold of the Recapitalization French State Aid.

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<sup>2</sup> Subject to compliance with EU State Aid Temporary Framework, if applicable

<sup>3</sup> 2-years anniversary date of the granting of the French State recapitalization aid

- As of April 19<sup>th</sup>, 2023: The rest of the c.€300m French State perpetual hybrid instruments and the remuneration associated to the State aid will be redeemed and refinanced similarly. The Group will settle all final obligations related to the exit of the remaining Recapitalization Aid without change needed of the capital structure.

In April 2023 KLM intends to exit the current Dutch State framework with banks & State loans being replaced by a Sustainability Linked Revolving Credit Facility.

## **OUTLOOK**

### **Capacity**

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

- 90%-95% for the First quarter of 2023
- 90%-95% for the Second quarter of 2023
- above 95% for the Second Half of 2023
- 95%-100% 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.

### **Other**

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

### **Medium Term Outlook<sup>4</sup>:**

The Group continues its swift transformation initiatives and confirms its medium-term financial ambition with the long-term focus of achieving increased competitiveness. To do this, the Group remains agile in optimizing fleet, workforce, network, costs and continues its sustainability efforts. The Group expects capacity in Available Seat Kilometers back to 2019 levels as from 2024.

The transformation efforts of the Group, including FTE reduction, fleet renewal and spend optimization, will compensate the inflationary pressure on cost. Therefore, the Group expects to decrease its unit cost by -1% to -4% against a constant fuel price, constant currency and excluding Emission Trading Scheme costs (ETS) compared to 2022.

The Adjusted Operating Free Cash Flow excluding exceptionals is expected to remain positive. Exceptionals include the payment of the air-freight litigation and the deferrals of social charges and wage taxes accumulated during the Covid 19 period.

The Net debt/EBITDA target ratio is expected to remain between 1.5x and 2.0x.

The Group's medium-term financial ambition is to reach an Operating Margin of 7% to 8%.

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<sup>4</sup> Refers to 2024-2026 period

## **BUSINESS REVIEW**

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

Network	Fourth quarter			Full Year		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Total revenues (€m)	6,204	+46.3%	+41.9%	22,758	+85.7%	+80.5%
Scheduled revenues (€m)	5,941	+47.6%	+42.7%	21,844	+89.6%	+83.6%
Operating result (€m)	237	+91	+97	1,131	+2,713	+2,732

Compared to 2021, Full year 2022 total revenues increased by 80.5% at constant currency to 22,758 million euros. The operating result amounted to 1,131 million euros, which represents an 2,732 million euros increase at constant currency compared to last year.

### **Strong yields on our diversified network**

Passenger network	Fourth quarter			Full Year		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Passengers (thousands)	16,490	+28.4%		64,968	+81.2%	
Capacity (ASK m)	63,282	+18.3%		245,457	+39.4%	
Traffic (RPK m)	54,439	+44.4%		205,733	+103.5%	
Load factor	86.0%	+15.5 pt		83.8%	+26.4 pt	
Total passenger revenues (€m)	5,359	+66.3%	+61.7%	19,254	+122.2%	+116.7%
Scheduled passenger revenues (€m)	5,210	+66.4%	+60.9%	18,794	+125.0%	+118.1%
Unit revenue per ASK (€ cts)	8.23	+40.6%	+36.0%	7.66	+61.3%	+56.4%

FY 2022 capacity in Available Seat Kilometers (ASK) was 39.4% higher than last year and at 85% of 2019 Fourth quarter level, which is at the same level as the Group's guidance provided during the Third quarter 2022 results presentation.

In response to the rise in fuel prices and other external costs, the Group proceeded to several fare increases during 2022 across all flights. The amount of the increase varied according to destination and class of travel, and applied to flights operated by Air France and KLM. Additionally, in line with the strong summer demand, the strong performance in Premium cabins and the solid corporate traffic recovery have all led to a yield above 2019 for the full year.

During Q4 we observed per area the following trends:

- North Atlantic: Q4 is slightly down after this summer's performance but still very dynamic with capacity slightly higher than 2019. Performance continued driven by Point of Origin North America and India with a positive impact on yield. Good performance of business cabin for Air France and premium economy for KLM.
- Latin America: Capacity gradually increased since summer in still favorable performance context.
- Asia & Middle East: Additional capacity due the reopening of Japan and extra frequencies on Dubai. India continued to show a strong performance on volumes and yields. Business cabin performance remained strong with good dynamics.
- Caribbean & Indian Ocean: Continuation of good Third quarter results especially driven by French West Indies and last minute demand.
- Africa: A strong corporate recovery was observed in all areas. For KLM, the performance was driven by East and South Africa with strong yield increase linked to positive cabin mix and a positive economy yield evolution. For Air France, performance was driven by West and Central African countries with a good steering strategy.

- Short and Medium-haul: Strong demand on the Air France side resulting in slightly higher Load factors than in 2019. KLM volumes were impacted by capacity cuts in the context of a tight labor market as well as imposed departing passenger limits, though yield development was favorable.

Over the course of 2022, the Group continued to introduce new generation aircraft to its fleet and phased out old generation aircraft which resulted in a reduction of 15 aircraft. The long haul fleet was expanded by 1 aircraft, while the medium haul fleet has been reduced by 7 aircraft and the regional fleet decreased by 9 aircraft.

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

### **Cargo: decrease in traffic compensated by strong yield resulting in a broadly stable revenue in 2022**

Cargo business	Fourth quarter			Full Year		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Tons (thousands)	236	-10.8%		931	-11.6%	
Capacity (ATK m)	3,403	+9.6%		13,256	+15.6%	
Traffic (RTK m)	1,756	-12.3%		6,888	-14.5%	
Load factor	51.6%	-12.9 pt		52.0%	-18.3 pt	
Total Cargo revenues (€m)	844	-17.2%	-20.2%	3,502	-2.4%	-5.9%
Scheduled cargo revenues (€m)	732	-18.2%	-20.9%	3,049	-3.7%	-7.0%
Unit revenue per ATK (€ cts )	21.51	-25.3%	-27.8%	23.00	-16.7%	-19.5%

2022 was a dynamic year, a very strong first half-year was followed by a more softening second part. Due to the resumption of passenger travel, belly capacity improved and resulted in an increase in Available Ton Kilometers of 15.6% versus Full Year 2021. The slower growth of global trade and the partial rebound of sea freight led to decreasing demand for air cargo from the second quarter onwards. Traffic decreased with 14.5% and the unit revenue per ATK decreased by 16.7% due to a decline in yield as well, although the yield remained still above 2021 level. Total Cargo revenues were 2.4% below Full Year 2021.

Compared to the pre-COVID year 2019, cargo capacity in the Full Year was 9% below. However, due to strong yield performance, total revenues in 2022 were 63% higher compared to 2019.

In 2022, Air France-KLM laid a strong foundation for the coming years to remain a credible and prominent air cargo player with the signing of a ten-year cooperation agreement with the CMA-CGM Group. Moreover, as part of Air France-KLM program to replace its aging Full Freighters and to strengthen Cargo's financials and sustainability, the Group firmed an order for four Airbus A350F freighters destined to Air France in March 2022 (further to an LOI announced in December 2021) and early 2023 an additional order for four A350F freighters (to replace current fleet) to be operated by Martinair on behalf of KLM Cargo was announced.

## Investments in Transavia's growth capacity continues

Transavia	Fourth quarter		Full Year	
	2022	Change	2022	Change
Passengers (thousands)	4,505	+48.1%	18,355	+108.3%
Capacity (ASK m)	9,416	+45.9%	37,369	+85.9%
Traffic (RPK m)	7,983	+55.6%	31,834	+112.1%
Load factor	84.8%	+5.3 pt	85.2%	+10.5 pt
Total passenger revenues (€m)	513	+57.3%	2,218	+119.3%
Unit revenue per ASK (€ cts)	5.44	+7.6%	6.06	+19.9%
Unit cost per ASK (€ cts)	6.64	+17.7%	6.32	+9.1%
Operating result (€m)	-113	-76	-100	+50

During 2022, the demand recovery in leisure traffic in Europe and North Africa continued. Compared to last year, the capacity increased by 85.9%, traffic increased by 112.1%, and the number of passengers increased by 108.3% resulting in a load factor 10.5 points above 2021.

The operating result stood at -100 million euros and improved by 50 million euros compared to Full Year 2021.

Compared to 2019, Full Year 2022 showed activity levels at index 114 and a load factor below 2019 levels. The average unit revenue per ASK increased by 14% compared to 2019, mainly driven by a strong yield increase of 23%. The average unit cost per ASK increased by 28% versus 2019, mainly driven by the high fuelprice and higher disruption cost.

The fleet of Transavia reached 99 aircraft by the end of the year.

## Maintenance business: Solid performance during 2022

Maintenance	Fourth quarter			Full Year		
	2022	Change	Change constant currency	2022	Change	Change constant currency
Total revenues (€m)	1,018	+27.9%		3,586	+28.0%	
Third-party revenues (€m)	405	+54.0%	+41.4%	1,389	+35.8%	+33.7%
Operating result (€m)	16	-53	-55	163	75	81
Operating margin (%)	1.5%	-7.1 pt	-7.0 pt	4.5%	+1.4 pt	+1.7 pt

Full Year operating result stood at 163 million euros, which represents an increase of 81 million euros at constant currency compared to Full Year 2021 and is due to a higher activity and an operational improvement.

Total revenues increased by 28% in 2022 while third party revenues increased by 33.7% at constant currency, showing a strong recovery.

The operating margin stood at 4.5%, which is 1.4 point higher than the operating margin in 2021. Compared to Full Year 2019 the margin is still one point lower.

## Adjusted operating free cash flow positive leading to a Net debt/EBITDA ratio at 1.8x

In € million	Fourth quarter		Full Year	
	2022	Change	2022	Change
Cash flow before change in WCR and Voluntary Departure Plans, continuing operations (€m)	683	-28	3,121	+2,901
Cash out related to Voluntary Departure Plans (€m)	-58	+20	-233	+63
Change in Working Capital Requirement (WCR) (€m)	-280	-529	1,968	+358
<b>Net cash flow from operating activities (€m)</b>	<b>345</b>	<b>-537</b>	<b>4,856</b>	<b>3,322</b>
Net investments* (€m)	-688	-239	-2,092	-789
<b>Operating free cash flow (€m)</b>	<b>-343</b>	<b>-776</b>	<b>2,764</b>	<b>2,533</b>
Repayment of lease debt	-208	+0	-861	+1
<b>Adjusted operating free cash flow**</b>	<b>-551</b>	<b>-776</b>	<b>1,903</b>	<b>+2,534</b>

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

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

The Group generated an adjusted operating free cash flow in 2022 of 1.9 billion euros, which is 2.5 billion euros higher than last year.

In € million	31 Dec 2022	31 Dec 2021
Net debt	6,337	8,216
EBITDA <i>trailing 12 months</i>	3,615	745
<b>Net debt/EBITDA</b>	<b>1.8 x</b>	<b>11.0 x</b>

## Significant increase in Full Year revenues resulting in positive and improved operating result for both airlines

	Fourth quarter		Full Year	
	2022	Change	2022	Change
<b>Air France Group Operating result (€m)</b>	144	+92	483	+1,886
<i>Operating margin (%)</i>	3.2%	+1.4 pt	3.0%	+19.0 pt
<b>KLM Group Operating result (€m)</b>	-2	-129	706	+933
<i>Operating margin (%)</i>	-0.1%	-6.3 pt	6.6%	+10.3 pt

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

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The results presentation is available at [www.airfranceklm.com](http://www.airfranceklm.com) on February 17, 2023 from 7:00 am CET.

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## Income Statement

€m	Fourth quarter			Full Year		
	2022	2021*	Change	2022	2021*	Change
<b>Revenues from ordinary activities</b>	<b>7,128</b>	<b>4,838</b>	<b>47%</b>	<b>26,393</b>	<b>14,315</b>	<b>84%</b>
Aircraft fuel	-2,057	-937	120%	-7,241	-2,748	164%
Chartering costs	-101	-93	9%	-387	-325	19%
Landing fees and air route charges	-439	-350	25%	-1,710	-1,185	44%
Catering	-195	-132	48%	-720	-382	88%
Handling charges and other operating costs	-418	-317	32%	-1,608	-1,027	57%
Aircraft maintenance costs	-613	-444	38%	-2,256	-1,625	39%
Commercial and distribution costs	-246	-130	89%	-887	-385	130%
Other external expenses	-412	-312	32%	-1,488	-1,152	29%
Salaries and related costs	-2,049	-1,526	34%	-7,289	-5,340	36%
Taxes other than income taxes	-38	-16	138%	-156	-116	34%
Other income and expenses	226	247	-9%	964	715	35%
<b>EBITDA</b>	<b>786</b>	<b>828</b>	<b>-5%</b>	<b>3,615</b>	<b>745</b>	<b>385%</b>
Amortization, depreciation and provisions	-652	-649	0%	-2,422	-2,371	2%
<b>Income from current operations</b>	<b>134</b>	<b>179</b>	<b>-25%</b>	<b>1,193</b>	<b>-1,626</b>	<b>nm</b>
Sales of aircraft equipment	21	1	2000%	66	-19	nm
Other non-current income and expenses	-21	20	nm	-65	-887	-93%
<b>Income from operating activities</b>	<b>134</b>	<b>199</b>	<b>-33%</b>	<b>1,194</b>	<b>-2,532</b>	<b>nm</b>
Cost of financial debt	-153	-247	-38%	-569	-730	-22%
Income from cash and cash equivalent	33	0	nm	41	2	1950%
<b>Net cost of financial debt</b>	<b>-120</b>	<b>-247</b>	<b>-51%</b>	<b>-528</b>	<b>-728</b>	<b>-27%</b>
Other financial income and expenses	295	-91	nm	-324	-289	12%
<b>Income before tax</b>	<b>309</b>	<b>-139</b>	<b>nm</b>	<b>342</b>	<b>-3,549</b>	<b>nm</b>
Income taxes	183	26	604%	390	282	38%
<b>Net income of consolidated companies</b>	<b>492</b>	<b>-113</b>	<b>nm</b>	<b>732</b>	<b>-3,267</b>	<b>nm</b>
Share of profits (losses) of associates	12	-13	nm	12	-27	nm
<b>Net income for the period</b>	<b>504</b>	<b>-126</b>	<b>nm</b>	<b>744</b>	<b>-3,294</b>	<b>nm</b>
Non-controlling interests	8	0	nm	16	-2	nm
Net income for the period – Group part	496	-126	nm	728	-3,292	nm

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

## Consolidated Balance Sheet

<b>Assets</b>		
<i>€m</i>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
Goodwill	225	222
Intangible assets	1,337	1,235
Flight equipment	10,614	10,466
Other property, plant and equipment	1,375	1,402
Right-of-use assets	5,428	5,148
Investments in equity associates	120	109
Pension assets	39	-
Other non-current financial assets	1,184	951
Non-current derivatives financial assets	262	143
Deferred tax assets	714	278
<b>Total non-current assets</b>	<b>21,298</b>	<b>19,954</b>
Other current financial assets	620	484
Current derivatives financial assets	327	469
Inventories	723	567
Trade receivables	1,785	1,511
Other current assets	847	966
Cash and cash equivalents	6,626	6,658
Assets held for sale	79	74
<b>Total current assets</b>	<b>11,007</b>	<b>10,729</b>
<b>Total assets</b>	<b>32,305</b>	<b>30,683</b>
<b>Liabilities and equity</b>		
<i>In million euros</i>		
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
Issued capital	2,571	643
Additional paid-in capital	5,217	4,949
Treasury shares	-25	-25
Perpetual bonds	933	3,151
Reserves and retained earnings	-11,700	-12,542
<b>Equity attributable to equity holders of Air France-KLM</b>	<b>-3,004</b>	<b>-3,824</b>
Non-controlling interests	524	8
<b>Total Equity</b>	<b>-2,480</b>	<b>-3,816</b>
Pension provisions	1,634	1,939
Non-current return obligation liabilities and provisions for leased aircraft and other provisions	4,149	4,055
Non-current financial liabilities	9,657	11,274
Non-current lease debt	3,318	2,924
Non-current derivatives financial liabilities	21	25
Deferred tax liabilities	1	1
Other non-current liabilities	2,343	2,555
<b>Total non-current liabilities</b>	<b>21,123</b>	<b>22,773</b>
Current return obligation liabilities and provisions for leased aircraft and other provisions	740	885
Current financial liabilities	896	1,215
Current lease debt	834	825
Current derivatives financial liabilities	83	46
Trade payables	2,424	1,850
Deferred revenue on ticket sales	3,725	2,644
Frequent flyer programs	900	888
Other current liabilities	4,057	3,369
Bank overdrafts	3	4
<b>Total current liabilities</b>	<b>13,662</b>	<b>11,726</b>
<b>Total equity and liabilities</b>	<b>32,305</b>	<b>30,683</b>

## Statement of Consolidated Cash Flows from 1 January until 31 December 2022

€m	31 Dec 2022	31 Dec 2021*
Net income	744	-3,294
Amortization, depreciation and operating provisions	2,422	2,371
Financial provisions	145	115
Loss (gain) on disposals of tangible and intangible assets	-92	18
Loss (gain) on disposals of subsidiaries and associates	1	-26
Derivatives – non monetary result	-4	-39
Unrealized foreign exchange gains and losses, net	151	257
Share of (profits) losses of associates	-12	27
Deferred taxes	-436	-284
Impairment	32	40
Other non-monetary items	-63	739
<b>Financial Capacity</b>	<b>2,888</b>	<b>-76</b>
(Increase) / decrease in inventories	-155	-41
(Increase) / decrease in trade receivables	-146	-239
Increase / (decrease) in trade payables	570	395
Increase / (decrease) in advanced ticket sales	1,092	227
Change in other assets and liabilities	607	1,268
<b>Change in working capital requirement</b>	<b>1,968</b>	<b>1,610</b>
<b>Net cash flow from operating activities</b>	<b>4,856</b>	<b>1,534</b>
Acquisition of subsidiaries, of shares in non-controlled entities	-3	-4
Purchase of property, plant and equipment and intangible assets	-2,972	-2,202
Proceeds on disposal of subsidiaries, of shares in non-controlled entities	-1	75
Proceeds on disposal of property, plant and equipment and intangible assets	880	899
Dividends received	2	2
Decrease (increase) in net investments, more than 3 months	-59	-9
<b>Net cash flow used in investing activities</b>	<b>-2,153</b>	<b>-1,239</b>
Increase of equity	1,551	1,024
Capital increase paid by non controlling interests	3	-
Perpetual	-969	-
Coupons on perpetual	-252	-
Issuance of debt	1,110	1,724
Repayment on debt	-3,078	-1,993
Payments on lease debt	-861	-862
New loans	-305	-188
Repayment on loans	45	219
Dividends paid	-	-1
<b>Net cash flow from financing activities</b>	<b>-2,756</b>	<b>-77</b>
Effect of exchange rate on cash and cash equivalents and bank overdrafts (net of cash acquired or sold)	22	14
<b>Change in cash and cash equivalents and bank overdrafts</b>	<b>-31</b>	<b>232</b>
Cash and cash equivalents and bank overdrafts at beginning of period	6,654	6,422
Cash and cash equivalents and bank overdrafts at end of period	6,623	6,654

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

## Return on capital employed (ROCE)

<i>In million euros</i>	<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>	<b>31* Mar 2021</b>
Goodwill and intangible assets	1,562	1,425	1,437	1,473	1,457	1,456	1,464	1,479
Flight equipment	10,614	10,298	10,521	10,537	10,466	10,478	10,645	10,800
Other property, plant and equipment	1,375	1,349	1,358	1,378	1,402	1,418	1,453	1,476
Right-of-use assets	5,428	5,536	5,439	5,205	5,148	5,061	5,033	4,795
Investments in equity associates	120	111	108	107	109	172	166	223
Financial assets excluding marketable securities and financial deposits	169	164	162	158	157	147	147	146
Provisions, excluding pension, cargo litigation and restructuring	-4,347	-4,792	-4,473	-4,240	-4,180	-4,180	-4,033	-4,083
WCR, excluding market value of derivatives	-10,092	-10,434	-11,156	-9,589	-8,262	-7,995	-7,745	-6,410
<b>Capital employed</b>	<b>4,829</b>	<b>3,657</b>	<b>3,396</b>	<b>5,029</b>	<b>6,297</b>	<b>6,557</b>	<b>7,130</b>	<b>8,426</b>
<b>Average capital employed (A)</b>		<b>4,228</b>				<b>7,103</b>		
Adjusted results from current operations		1,193				-1,626		
- Dividends received		-1				0		
- Share of profits (losses) of associates		12				-27		
- Normative income tax		-311				462		
<b>Adjusted result from current operations after tax (B)</b>		<b>893</b>				<b>-1,191</b>		
<b>ROCE, trailing 12 months (B/A)</b>		<b>21.1%</b>				<b>-16.8%</b>		

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

## Net debt

€m	Balance sheet at	
	31 Dec 2022	31 Dec 2021
Current and non-current financial liabilities	10,553	12,489
Current and non-current lease debt	4,152	3,749
Accrued interest	-127	-128
Deposits related to financial liabilities	-101	-99
Deposits related to lease debt	-99	-85
Derivatives impact on debt	-35	-14
<b>Gross financial liabilities (A)</b>	<b>14,343</b>	<b>15,912</b>
Cash and cash equivalents	6,626	6,658
Marketable securities > 3 months	572	513
Bonds	811	529
Bank overdrafts	-3	-4
<b>Net cash (B)</b>	<b>8,006</b>	<b>7,696</b>
<b>Net debt (A) – (B)</b>	<b>6,337</b>	<b>8,216</b>

## Adjusted operating free cash flow

€m	Fourth quarter		Full Year	
	2022	2021	2022	2021
Net cash flow from operating activities	345	882	4,856	1,534
Investment in property, plant, equipment and intangible assets	-890	-659	-2,972	-2,202
Proceeds on disposal of property, plant, equipment and intangible assets	202	210	880	899
<b>Operating free cash flow</b>	<b>-343</b>	<b>433</b>	<b>2,764</b>	<b>231</b>
Payments on lease debt	-208	-208	-861	-862
<b>Adjusted operating free cash flow</b>	<b>-551</b>	<b>225</b>	<b>1,903</b>	<b>-631</b>

## Bridge from EBITDA to Financial capacity

	Fourth quarter		Full Year	
	2022	2021*	2022	2021*
<b>EBITDA</b>	<b>786</b>	<b>828</b>	<b>3,615</b>	<b>745</b>
Provisions (CO2 and other)	75	10	90	-6
Correction of spare parts inventory	-5	1	-1	5
Addition to pension provisions	28	38	125	206
Reversal to pension provisions (cash-out)	-50	-40	-100	-140
Sales of tangible and intangible assets (excluding aeronauticals)	5	-1	32	30
<b>Income from operation activities - cash impact</b>	<b>839</b>	<b>836</b>	<b>3,761</b>	<b>840</b>
Restructuring costs	-58	-78	-233	-296
Other non-current income and expenses	0	-8	-7	-74
Cost of financial liability	-153	-137	-582	-577
Financial income	28	-3	25	-14
Realized foreign exchanges gain/loss	-11	14	-22	63
Termination of trading hedges - cash	0	0	0	-8
Settlements of forwards derivatives - cash	0	0	0	-3
Current income tax	-20	5	-46	-1
Other financial charges & expenses - cash	0	0	-11	-8
Other elements	0	4	3	2
<b>Financial capacity</b>	<b>625</b>	<b>633</b>	<b>2,888</b>	<b>-76</b>

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

## Unit cost: net cost per ASK

	Fourth quarter		Full Year	
	2022	2021*	2022	2021*
Revenues (in €m)	7,128	4,838	26,393	14,315
Income/(loss) from current operations (in €m) -/-	-134	-179	-1,193	1,626
Total operating expense (in €m)	6,994	4,659	25,200	15,941
Passenger network business – other revenues (in €m)	-150	-92	-461	-313
Cargo network business – other revenues (in €m)	-113	-125	-453	-421
Third-party revenues in the maintenance business (in €m)	-405	-263	-1,389	-1,023
Transavia - other revenues (in €m)	-1	0	45	3
Third-party revenues of other businesses (in €m)	-5	-7	-26	-27
<b>Net cost (in €m)</b>	<b>6,319</b>	<b>4,173</b>	<b>22,914</b>	<b>14,161</b>
Capacity produced, reported in ASK*	72,698	59,937	282,826	196,116
<b>Net cost per ASK (in € cents per ASK)</b>	<b>8.69</b>	<b>6.96</b>	<b>8.10</b>	<b>7.22</b>
<i>Gross change</i>		24.9%		12.2%
Currency effect on net costs (in €m)		-141		-397
<i>Change at constant currency</i>		20.8%		9.1%
Fuel price effect (in €m)		639		2,078
<b>Net cost per ASK on a constant currency and fuel price basis (in € cents per ASK)</b>	<b>8.69</b>	<b>8.26</b>	<b>8.10</b>	<b>8.48</b>
<b>Change at constant currency and fuel price basis</b>		<b>+5.2%</b>		<b>-4.5%</b>

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

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



## Group results

### Air France Group

	Fourth quarter		Full Year	
	2022	Change	2022	Change
Revenue (in €m)	4,541	+53.9%	16,285	+86.2%
EBITDA (in €m)	532	+69	1,961	+1,915
Operating result (in €m)	144	+92	483	+1,886
<i>Operating margin (%)</i>	3.2%	+1.4 pt	3.0%	+19.0 pt
Operating cash flow before WCR and restructuring cash out (in €m)	457	+65	1,601	+1,919
<i>Operating cash flow (before WCR and restructuring) margin</i>	10.1%	-3.2 pt	9.8%	+13.5 pt

### KLM Group

	Fourth quarter		Full Year	
	2022	Change	2022	Change
Revenue (in €m)	2,758	+35.3%	10,679	+76.1%
EBITDA (in €m)	261	-104	1,678	+984
Operating result (in €m)	-2	-129	706	+933
<i>Operating margin (%)</i>	-0.1%	-6.3 pt	6.6%	+10.3 pt
Operating cash flow before WCR and restructuring cash out (in €m)	213	-115	1,535	+1,010
<i>Operating cash flow (before WCR and restructuring) margin</i>	7.7%	-8.4 pt	14.4%	+5.7 pt

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

## Group fleet at 31 December 2022

Aircraft type	AF (incl. HOP)	KL (incl. KLC & MP)	Transavia	Owned	Finance lease	Operating lease	Total	In operation	Change / 31/12/21
B777-300	43	16		18	17	24	59	59	
B777-200	18	15		26	1	6	33	33	-3
B787-9	10	13		4	7	12	23	23	
B787-10		7		2	5		7	7	2
A380-800	4			2	1	1	4		
A350-900	20			3	7	10	20	20	8
A330-300		5				5	5	5	1
A330-200	15	6		11		10	21	21	
<b>Total Long-Haul</b>	<b>110</b>	<b>62</b>	<b>0</b>	<b>66</b>	<b>38</b>	<b>68</b>	<b>172</b>	<b>168</b>	<b>8</b>
B737-900		5		5			5	5	
B737-800		31	95	34	8	84	126	125	9
B737-700		9	4	7		6	13	10	-4
A321	18			10		8	18	18	-1
A320	39			3	4	32	39	39	-3
A319	19			11		8	19	17	-11
A318	9			5		4	9	9	-3
A220-300	16			12		4	16	15	9
<b>Total Medium-Haul</b>	<b>101</b>	<b>45</b>	<b>99</b>	<b>87</b>	<b>12</b>	<b>146</b>	<b>245</b>	<b>238</b>	<b>-4</b>
Canadair Jet 1000	6			6			6		-11
Canadair Jet 700									
Embraer 195 E2		14				14	14	14	7
Embraer 190	19	30		17	4	28	49	49	2
Embraer 175		17		3	14		17	17	
Embraer 170	13			10		3	13	13	-2
Embraer 145									
<b>Total Regional</b>	<b>38</b>	<b>61</b>	<b>0</b>	<b>36</b>	<b>18</b>	<b>45</b>	<b>99</b>	<b>93</b>	<b>-4</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>251</b>	<b>172</b>	<b>99</b>	<b>193</b>	<b>68</b>	<b>261</b>	<b>522</b>	<b>505</b>	<b>0</b>

## FOURTH QUARTER 2022 TRAFFIC

### Passenger network activity\*

Total Passenger network*	Q4			Year to date		
	2022	2021	Variation	2022	2021	Variation
Passengers carried ('000s)	16,490	12,840	28.4%	64,968	35,855	81.2%
Revenue pax-kilometers (m RPK)	54,438	37,710	44.4%	205,732	101,091	103.5%
Available seat-kilometers (m ASK)	63,281	53,485	18.3%	245,457	176,019	39.4%
Load factor (%)	86.0%	70.5%	15.5	83.8%	57.4%	26.4
<b>Long-haul</b>						
Passengers carried ('000s)	6,123	4,147	47.6%	22,908	11,038	107.5%
Revenue pax-kilometers (m RPK)	45,488	30,066	51.3%	168,207	78,353	114.7%
Available seat-kilometers (m ASK)	52,143	42,893	21.6%	198,824	143,359	38.7%
Load factor (%)	87.2%	70.1%	17.1	84.6%	54.7%	29.9
<b>North America</b>						
Passengers carried ('000s)	2,067	1,248	65.7%	8,303	3,100	167.9%
Revenue pax-kilometers (m RPK)	14,799	8,971	65.0%	59,383	22,405	165.0%
Available seat-kilometers (m ASK)	17,101	13,461	27.0%	70,608	42,631	65.6%
Load factor (%)	86.5%	66.6%	19.9	84.1%	52.6%	31.5
<b>Latin America</b>						
Passengers carried ('000s)	859	562	53.0%	3,102	1,293	139.9%
Revenue pax-kilometers (m RPK)	8,175	5,420	50.8%	29,502	12,454	136.9%
Available seat-kilometers (m ASK)	9,031	6,590	37.0%	33,097	23,211	42.6%
Load factor (%)	90.5%	82.2%	8.3	89.1%	53.7%	35.5
<b>Asia / Middle East</b>						
Passengers carried ('000s)	1,150	606	89.8%	3,623	1,706	112.4%
Revenue pax-kilometers (m RPK)	8,561	4,090	109.3%	26,121	11,440	128.3%
Available seat-kilometers (m ASK)	10,062	7,905	27.3%	32,915	29,731	10.7%
Load factor (%)	85.1%	51.7%	33.3	79.4%	38.5%	40.9
<b>Africa</b>						
Passengers carried ('000s)	1,040	845	23.1%	3,870	2,578	50.1%
Revenue pax-kilometers (m RPK)	6,357	4,846	31.2%	23,170	14,398	60.9%
Available seat-kilometers (m ASK)	7,449	6,657	11.9%	27,974	23,003	21.6%
Load factor (%)	85.3%	72.8%	12.5	82.8%	62.6%	20.2
<b>Caribbean / Indian Ocean</b>						
Passengers carried ('000s)	1,007	887	13.5%	4,012	2,362	69.8%
Revenue pax-kilometers (m RPK)	7,595	6,738	12.7%	30,032	17,656	70.1%
Available seat-kilometers (m ASK)	8,501	8,280	2.7%	34,230	24,782	38.1%
Load factor (%)	89.3%	81.4%	8.0	87.7%	71.2%	16.5
<b>Short and Medium-haul</b>						
Passengers carried ('000s)	10,366	8,693	19.3%	42,057	24,817	69.5%
Revenue pax-kilometers (m RPK)	8,951	7,644	17.1%	37,525	22,739	65.0%
Available seat-kilometers (m ASK)	11,138	10,592	5.2%	46,634	32,660	42.8%
Load factor (%)	80.4%	72.2%	8.2	80.5%	69.6%	10.8

\* Air France and KLM

### Transavia activity

Transavia	Q4			Year to date		
	2022	2021	Variation	2022	2021	Variation
Passengers carried ('000s)	4,505	3,042	48.1%	18,355	8,814	108.3%
Revenue pax-kilometers (m RPK)	7,983	5,131	55.6%	31,834	15,012	112.1%
Available seat-kilometers (m ASK)	9,416	6,452	45.9%	37,369	20,097	85.9%
Load factor (%)	84.8%	79.5%	5.3	85.2%	74.7%	10.5

### Total group passenger activity\*\*

Total group**	Q4			Year to date		
	2022	2021	Variation	2022	2021	Variation
Passengers carried ('000s)	20,995	15,881	32.2%	83,323	44,669	86.5%
Revenue pax-kilometers (m RPK)	62,422	42,841	45.7%	237,567	116,103	104.6%
Available seat-kilometers (m ASK)	72,698	59,937	21.3%	282,826	196,116	44.2%
Load factor (%)	85.9%	71.5%	14.4	84.0%	59.2%	24.8

\*\* Air France, KLM and Transavia

### Cargo activity

Total Group	Q4			Year to date		
	2022	2021	Variation	2022	2021	Variation
Revenue tonne-km (m RTK)	1,756	2,001	(12.2%)	6,888	8,057	(14.5%)
Available tonne-km (m ATK)	3,403	3,106	9.6%	13,256	11,469	15.6%
Load factor (%)	51.6%	64.4%	(12.9)	52.0%	70.2%	(18.3)

## Air France activity

Total Passenger network activity	Q4			Year to date		
	2022	2021	Variation	2022	2021	Variation
Passengers carried ('000s)	10,153	7,644	32.8%	39,130	21,816	79.4%
Revenue pax-kilometers (m RPK)	33,203	22,153	49.9%	123,444	60,180	105.1%
Available seat-kilometers (m ASK)	38,313	30,327	26.3%	146,796	93,568	56.9%
Load factor (%)	86.7%	73.0%	13.6	84.1%	64.3%	19.8
<b>Long-haul</b>						
Passengers carried ('000s)	3,829	2,586	48.0%	14,282	6,988	104.4%
Revenue pax-kilometers (m RPK)	27,696	17,862	55.1%	101,269	47,127	114.9%
Available seat-kilometers (m ASK)	31,588	24,429	29.3%	119,437	75,071	59.1%
Load factor (%)	87.7%	73.1%	14.6	84.8%	62.8%	22.0
<b>Short and Medium-haul</b>						
Passengers carried ('000s)	6,323	5,058	25.0%	24,844	14,828	67.6%
Revenue pax-kilometers (m RPK)	5,508	4,291	28.4%	22,175	13,054	69.9%
Available seat-kilometers (m ASK)	6,725	5,898	14.0%	27,360	18,497	47.9%
Load factor (%)	81.9%	72.8%	9.1	81.1%	70.6%	10.5

Cargo activity	Q4			Year to date		
	2022	2021	Variation	2022	2021	Variation
Revenue tonne-km (m RTK)	929	955	(2.7%)	3,559	3,603	(1.2%)
Available tonne-km (m ATK)	1,950	1,677	16.3%	7,494	5,871	27.7%
Load factor (%)	47.6%	56.9%	(9.3)	47.5%	61.4%	(13.9)

## KLM activity

Total Passenger network activity	Q4			Year to date		
	2022	2021	Variation	2022	2021	Variation
Passengers carried ('000s)	6,337	5,196	22.0%	25,838	14,039	84.0%
Revenue pax-kilometers (m RPK)	21,236	15,558	36.5%	82,289	40,912	101.1%
Available seat-kilometers (m ASK)	24,968	23,158	7.8%	98,660	82,452	19.7%
Load factor (%)	85.1%	67.2%	17.9	83.4%	49.6%	33.8
<b>Long-haul</b>						
Passengers carried ('000s)	2,294	1,561	47.0%	8,626	4,050	113.0%
Revenue pax-kilometers (m RPK)	17,793	12,204	45.8%	66,939	31,227	114.4%
Available seat-kilometers (m ASK)	20,555	18,463	11.3%	79,386	68,288	16.3%
Load factor (%)	86.6%	66.1%	20.5	84.3%	45.7%	38.6
<b>Short and Medium-haul</b>						
Passengers carried ('000s)	4,043	3,635	11.2%	17,212	9,989	72.3%
Revenue pax-kilometers (m RPK)	3,443	3,353	2.7%	15,350	9,685	58.5%
Available seat-kilometers (m ASK)	4,413	4,694	(6.0%)	19,274	14,163	36.1%
Load factor (%)	78.0%	71.4%	6.6	79.6%	68.4%	11.3

Cargo activity	Q4			Year to date		
	2022	2021	Variation	2022	2021	Variation
Revenue tonne-km (m RTK)	828	1,047	(20.9%)	3,330	4,454	(25.2%)
Available tonne-km (m ATK)	1,453	1,430	1.7%	5,762	5,598	2.9%
Load factor (%)	57.0%	73.2%	(16.3)	57.8%	79.6%	(21.8)