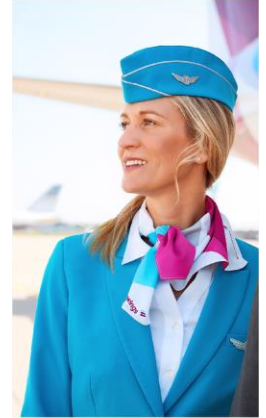




# Q2 2024 Results

Carsten Spohr, CEO

Michael Niggemann, Interim-CFO

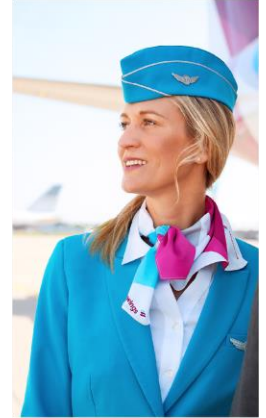


Frankfurt, 31 July 2024



# Q2 2024 Results

**Carsten Spohr, CEO**  
Review Q2



Frankfurt, 31 July 2024

Second quarter characterized by solid unit cost performance and industry-wide pressure on fares

## ASK

**+11%** vs. 2023



## Revenues

**EUR 10.0bn**

**+7%** vs. 2023



## Adjusted EBIT

**EUR 0.7bn**

**-0.4bn** vs. 2023



## Unit revenues under pressure



Financial impact of  
**EUR -300m** vs. 2023

## Flat unit cost



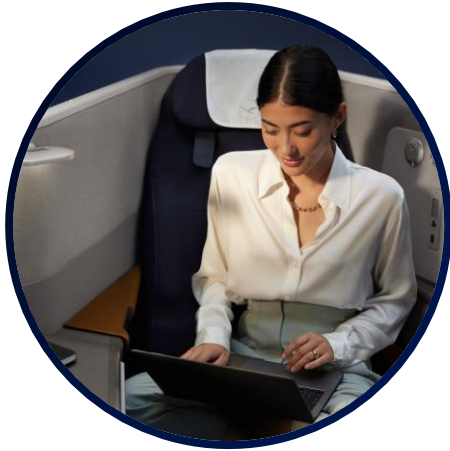
CASK  
**-0.1%** vs. 2023

## Allegris entry into service



**>250 flights**  
since May

# Lufthansa Group has achieved major strategic milestones



**Allegris**



**ITA Airways**



**City Airlines**

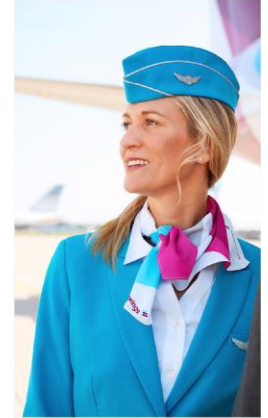


**AirPlus**



# Q2 2024 Results

**Michael Niggemann, Interim-CFO**  
Financial Overview



Frankfurt, 31 July 2024

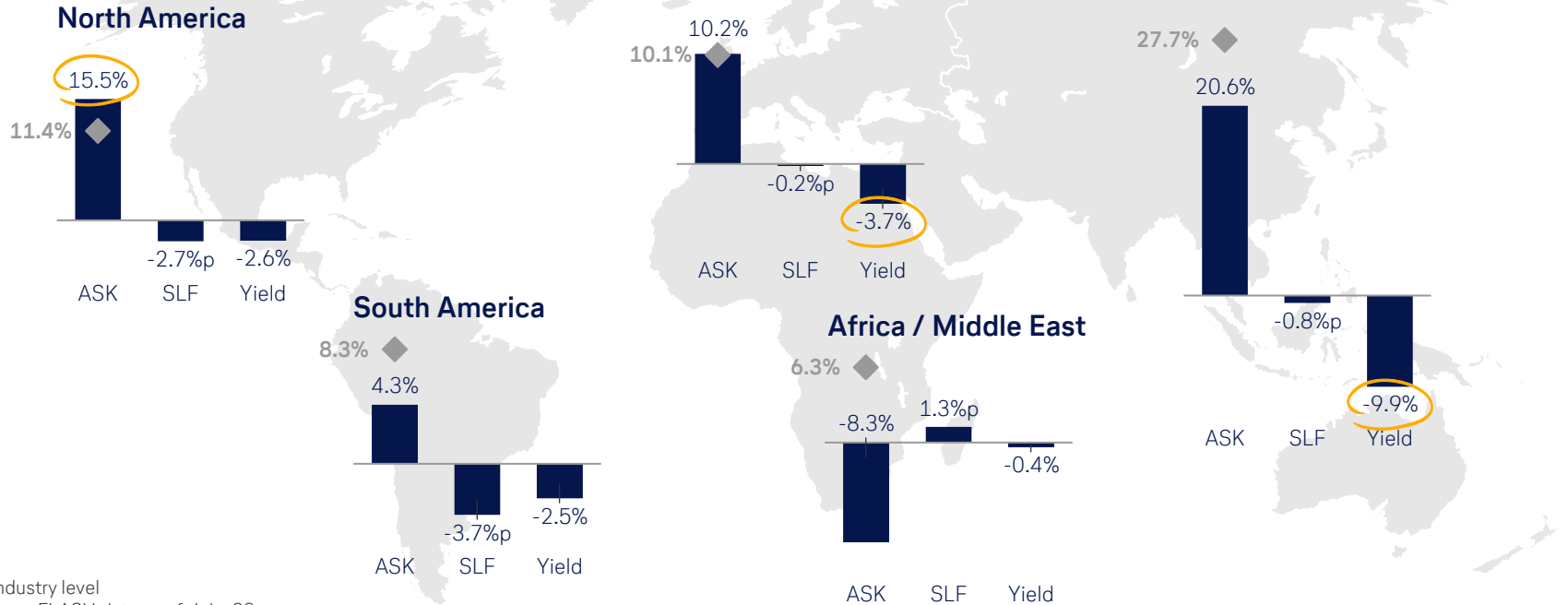
Q2 revenues increased by 7% vs. prior year, Adjusted EBIT decreased by 37%

<b>(in EUR million)</b>	<b>Q2'24</b>	<b>Q2'23</b>	<b>Change in %</b>
<b>Revenues</b>	<b>10,007</b>	<b>9,389</b>	<b>+7%</b>
<b>Operating expenses</b>	<b>9,969</b>	<b>9,064</b>	<b>+10%</b>
Of which fuel	2,148	1,934	+11%
Of which staff	2,228	2,062	+8%
Of which depreciation	571	554	+3%
<b>Adjusted EBIT</b>	<b>686</b>	<b>1,085</b>	<b>-37%</b>
<b>Adjusted EBIT margin</b>	<b>6.9%</b>	<b>11.6%</b>	<b>-4.7%p</b>
<b>EBIT</b>	<b>659</b>	<b>1,081</b>	<b>-39%</b>
<b>Adjusted free cash flow</b>	<b>573</b>	<b>589</b>	<b>-3%</b>

Note: Results of the Catering segment presented in separate line "Result from discontinued operations" (not included in Group Adjusted EBIT)

# Evolution of LHG yields in Q2 2024 differs between traffic regions and is shaped by market environment and structural shift in demand

## LHG Growth rates vs. 2023



◆ Industry level  
Source: FLASH data as of July, 23

# Passenger Airlines: Inefficiencies at Lufthansa Airlines prevent the Group from fully exploiting its fix cost leverage

		Passenger Airlines		Passenger Airlines excl. LH Airlines		Lufthansa Airlines	
		Q2 '24	vs. PY	Q2 '24	vs. PY	Q2 '24	vs. PY
Total revenue	in EUR million	8,017	+4.5%	3,555	+3.6%	4,514	+5.2%
Adj. EBIT	in EUR million	581	-39.8%	367	-20.2%	213	-58.6%
Adj. EBIT margin		7.2%	-5.4%p	10.3%	-3.1%p	4.7%	-7.3%p
ASK vs. 2019		91.4%	+8.9%p	98%	+8.5%p	86.5%	+9.1%p
CASK <sup>1)</sup>	in EUR cts.	6.2	-0.1%	5.8	-4.5%	6.5	+3.1%
RASK	in EUR cts.	9.4	-5.3%	9.2	-5.8%	9.5	-4.9%

1) Excluding fuel and emission costs

## Comments

- Strong capacity increase by around 11% relative to prior year
- Yields decrease by 3.7% year-on-year due to market-wide capacity increases and changes in demand patterns
- RASK suffers also from a lower seat load factor compared to prior year
- CASK profits from improved fixed-cost leverage due to capacity increase
- LHA result impacted by inefficiencies



# Comprehensive turnaround program for Lufthansa Airlines is being launched

## ASSESSMENT

### Market challenges

- Increased competitive pressure
- Corporate demand lagging behind
- Higher seasonality (leisure)

### High cost position

- Complexity and inefficiencies
- Heterogenous fleet
- Labor cost



## FIELDS OF ACTION



**Optimized  
market offer**



**Structural  
measures &  
flexibility**

## MODERNIZATION INITIATIVES



**Enhance premium positioning**, e.g. continuous invest into product and service improvements



**Optimize our network further**, e.g. prioritization of yields over growth



**Increase operational excellence**, e.g. full digitization of ground processes



**Improve productivity**, e.g. implementation of AI-driven crew planning, hiring freeze



**Grow in more efficient AOCs**, e.g. A330 shift to Discover Airlines

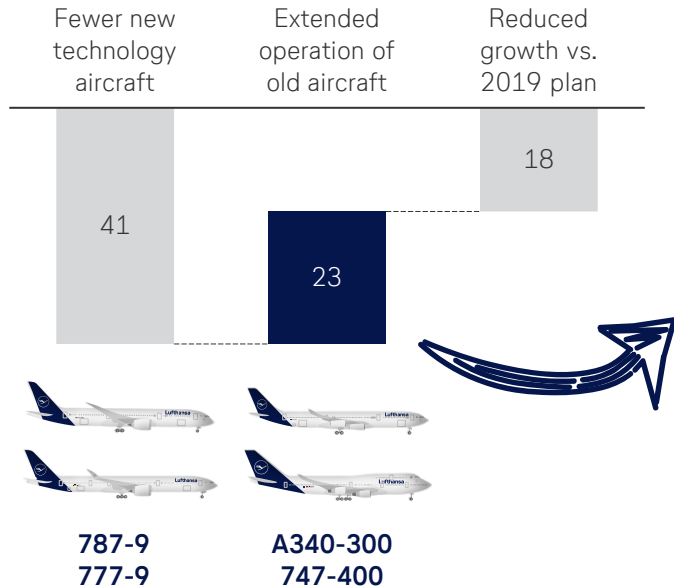


**Harmonize the fleet**, e.g. elimination of 4 sub-fleets

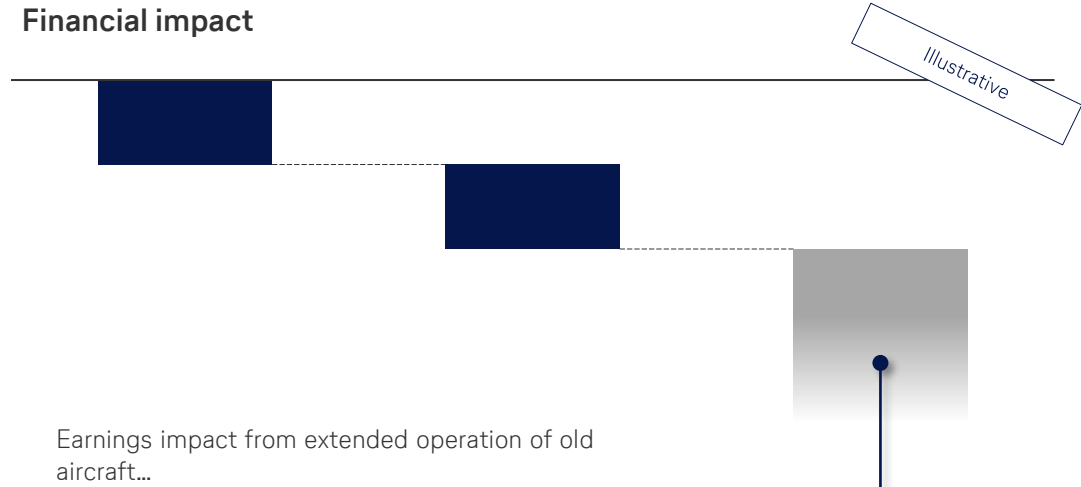
# Late delivery of long-haul new technology with significant annual three-digit million earnings impact – also short-haul aircraft with delays

## LHG long-haul fleet – actuals vs. plan

2024 actual vs. 2019 plan (for 2024)



## Financial impact



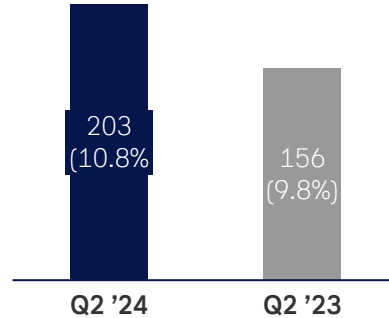
### Additional impact, e.g.:

- Fleet productivity (reserves)
- Irregularity cost
- Unproductive crews, training cost
- Reduced growth path

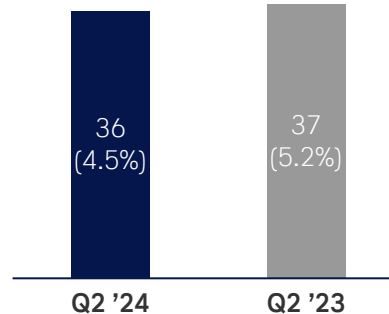
# Lufthansa Technik result is record high – Lufthansa Cargo is back on track

Adjusted EBIT/(margin) in EUR million

 **Lufthansa Technik**



 **Lufthansa Cargo**



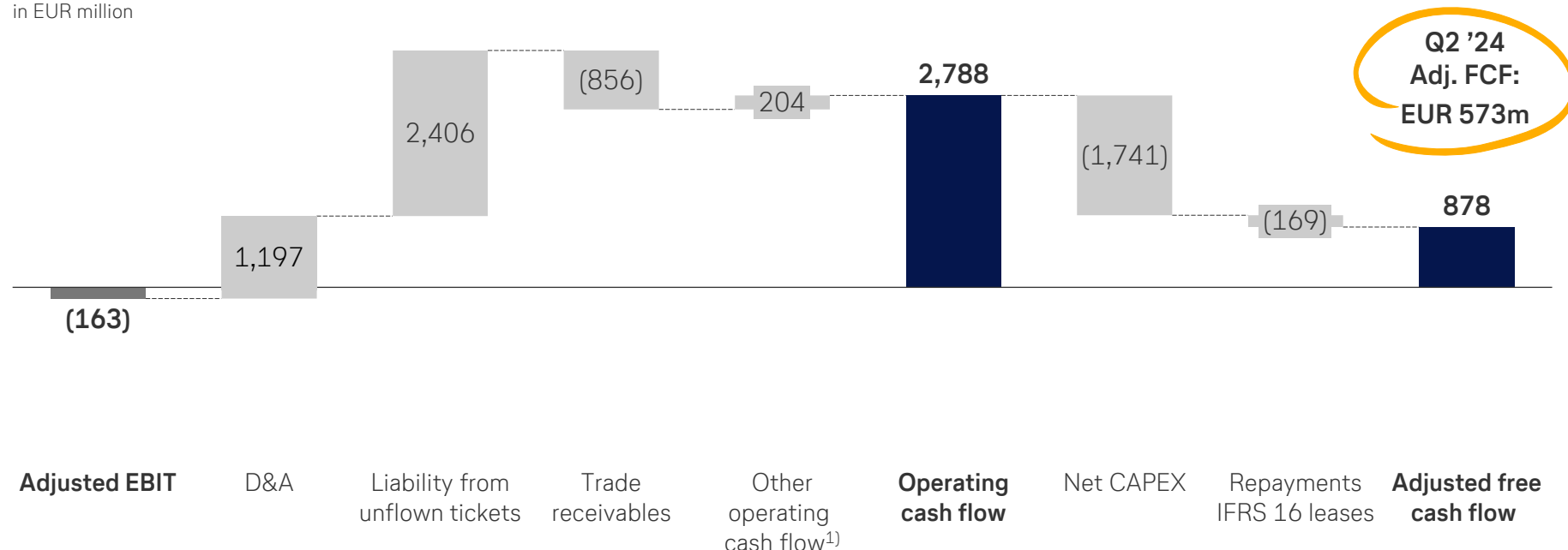
## Comments

- Record results for Lufthansa Technik – strong demand for MRO services offsetting supply chain disruptions and cost inflation
- Cargo profits on same level as prior year – market normalization continuing, with yields staying on a high level and volumes slightly up
- Other segments and group functions with EUR -78 m Adjusted EBIT contribution, previous year figure at EUR -82 m

# Free cash flow in the first half of 2024 was driven by strong incoming bookings for the summer and CAPEX shift

## H1 '24 Adjusted EBIT / Adjusted free cash flow

in EUR million

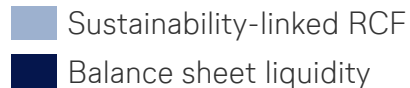
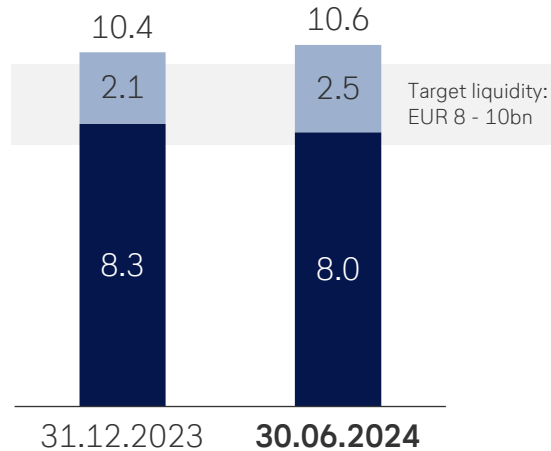


<sup>1)</sup> Other trade working capital, other non-cash items, change in other assets & liabilities, tax

# Lufthansa Group continues to have strong liquidity and a robust balance sheet

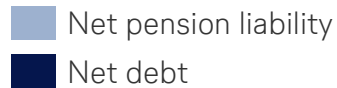
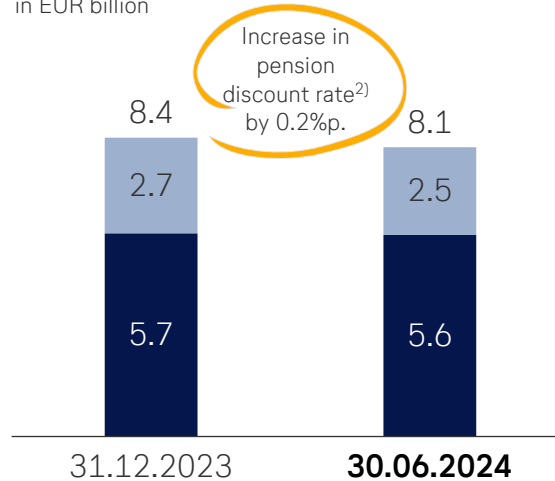
## Liquidity

in EUR billion



## Net debt and net pension liabilities<sup>1)</sup>

in EUR billion



## Comments

- Leverage ratio of 2.0<sup>3)</sup> – reductions in net debt and pension liability, but also lower earnings
- EUR 8 - 10bn liquidity level – above target level, ensures strong balance sheet
- Liability-driven investment (LDI) implemented – further stabilization of pension obligations

1) Incl. pension plan surpluses which may not be netted according to IFRS (December 31, 2023: EUR 219m; June 30, 2024: EUR 201m)

2) Discount rate in Germany.

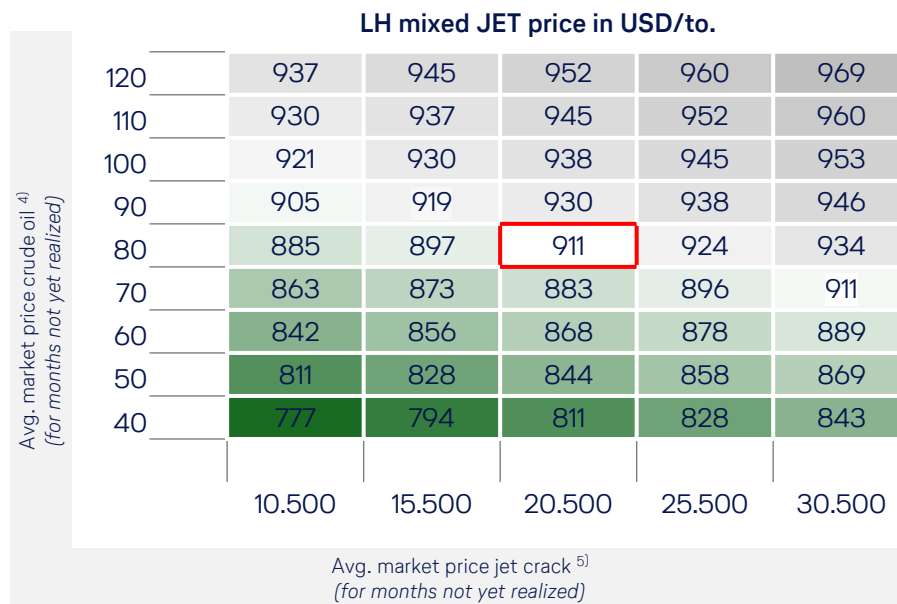
3) Adj. net debt incl. pensions / Adj. EBITDA

# Fuel cost expectation decreased by EUR 0.2 bn compared to April guidance of EUR 8.3 billion

## LH fuel price exposure is well hedged<sup>1)</sup> in 2024

as of July 26	Q3	FY 2024
Hedge ratio <sup>2)</sup> (%)	82	<b>82</b>
Jet fuel price after hedge (in USD per metric ton)	905	<b>911</b>
Jet fuel volume (in million Tons)	2.7	<b>9.6</b>
Expected fuel expense (in EUR billion) <sup>3)</sup>	2.3	<b>8.1</b>

## Expected fuel price sensitivity after hedging (FY 2024)



1) Passenger Airlines and Logistics (as of July 26, 2024), including existing hedges and into plane cost assuming stable EURUSD rate of 1.085 USD/EUR




2) Hedge ratio for remaining FY 2024 comprises 46% hedge on gasoil and 36% hedge on Brent.

3) Depicted fuel expenses do not include cost related to voluntary SAF which are estimated at approx. \$40m for FY2024.

4) Average 2024 Brent ICE Crude oil future in USD/barrel (July 26, 2024: 79.69 USD/bbl)

5) Average 2024 Jet Crack Future (July 26, 2024: 20.58 USD/bbl)

# Full year outlook assumes an unchanged capacity and cost guidance, while Adjusted EBIT range mainly depends on RASK variability

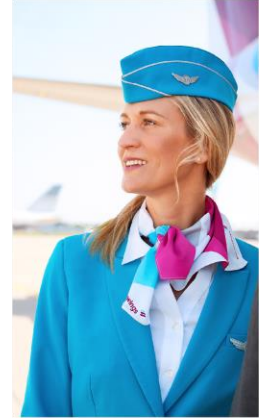
	Q3 2024	FY 2024
 <b>Capacity</b>	~96% of 2019	~92% of 2019 (including reductions in winter schedule)
 <b>RASK</b>	Low single-digit decline vs. PY	Low to mid single-digit decline vs. PY
 <b>CASK</b> <small>(ex fuel and emission costs)</small>	Low single-digit increase vs. PY	Low single-digit increase vs. PY (flat without strikes)
 <b>Adj. EBIT</b>	Decline vs. PY	EUR 1.4 – 1.8bn



# Q2 2024 Results

**Carsten Spohr, CEO**

Outlook



Frankfurt, 31 July 2024



# Lufthansa Group making significant improvements to enhance our Customer Journey

## Allegris

- ✓ 4<sup>th</sup> Allegris aircraft in service
- ✓ 100 aircraft with Allegris in the next four years



## Improved airline app

+40% in app users year-on-year



## Operational customer communication revised

- ✓ more timely
- ✓ more precise
- ✓ more consistent

# 300+

new employees for customer live chats to complement Chatbots



# 3,000+

Service Center employees received further training

Improved baggage tracing at

# 50+

stations worldwide



# Lufthansa Technik will continue its unprecedented track record as key source of value creation by “Ambition 2030”

## Global expansion



Main target: remain global MRO leader – underlined by global production expansion: projects in Europe, America and Asia

## Digital push



TechOps ecosystem expanded into reliability solutions, campaign to develop first digitally-enabled MRO products

## Defense business



Partnerships to strengthen defense business. Target platforms: Chinook helicopter, F-35 Jet, civil derivatives (e.g., P8 Poseidon), drones



## Strategic supplier

Worldwide leading MRO provider Lufthansa Technik continues to be a strategic asset, ensuring best possible operational stability for Lufthansa Group Airlines

# Shaping aviation for generations to come



**Turnaround at  
Lufthansa Airlines  
ensures a profitable  
core business**



**Allegris & SWISS Senses  
enhances customer  
experience**



**Internationalization  
bolsters our Multi-  
Hub system**

# **Appendix**

- supplementary information-

# Traffic Data

		Apr	vs. 2023	May	vs. 2023	Jun	vs. 2023	Q2	vs. 2023	vs. 2019
Total Lufthansa Group Airlines	Passengers in 1,000	11,081	8.3%	12,219	8.7%	12,640	6.9%	35,939	7.9%	-9.1%
	Available seat-kilometers (m)	27,491	10.6%	29,652	12.5%	29,802	9.2%	86,945	10.7%	-8.6%
	Revenue seat-kilometers (m)	22,298	9.4%	24,012	10.9%	25,150	8.1%	71,460	9.4%	-9.8%
	Passenger load-factor (%)	81.1%	-0.9%p	81.0%	-1.1%p	84.4%	-0.8%p	82.2%	-1.0%p	-1.1%p
	Available Cargo tonne-kilometers (m)	1,425	14.5%	1,505	17.6%	1,537	17.5%	4,467	16.5%	-0.7%
	Revenue Cargo tonne-kilometers (m)	826	13.4%	841	19.1%	870	19.9%	2,537	17.4%	-6.4%
	Cargo load-factor (%)	58.0%	-0.6%p	55.9%	0.7%p	56.6%	1.1%p	56.8%	0.4%p	-3.5%p
	Number of flights	86,322	7.1%	94,070	8.3%	92,262	4.7%	272,654	6.7%	-13.5%

# Operating KPIs of Passenger Airlines by region vs. 2023 (unless stated otherwise)

Total	Q2'24
Number of flights	+6.5%
ASK	+10.7%
RPK	+9.4%
SLF	-1.0%p
Yield	-3.7%
Yield vs 2019	+20.1%
Yield ex currency vs 2019	+20.3%
RASK	-5.3%
RASK ex currency vs 2019	+18.7%
CASK ex. fuel, ex. emissions cost	-0.1%
CASK ex. fuel, ex. emissions cost vs 2019	+16.1%
CASK ex currency, ex fuel, ex emissions cost vs 2019	+16.2%

Europe	Q2'24
ASK	+10.2%
RPK	+10.0%
SLF	-0.2%p
RASK incl. currency <sup>1)</sup>	-3.9%

Asia Pacific	Q2'24
ASK	+20.6%
RPK	+19.5%
SLF	-0.8%p
RASK incl. currency <sup>1)</sup>	-10.7%

Americas	Q2'24
ASK	+13.6%
RPK	+9.8%
SLF	-2.9%p
RASK incl. currency <sup>1)</sup>	-5.6%

Africa / Middle East	Q2'24
ASK	-8.3%
RPK	-6.8%
SLF	+1.3%p
RASK incl. currency <sup>1)</sup>	+1.2%

North America	-5.7%
South America	-6.6%

<sup>1)</sup> Regional RASK are based on regional traffic revenues only

# Calculation of operational airline KPIs

## Passenger Airlines, Q2 2024






Yield	1) Traffic revenues (€m)	7,556
	2) Not assignable (€m)	695
	= 3) Basis for Yield (1)-(2) (€m)	6,861
	4) RPK (m) <sup>1)</sup>	71,460
	<b>Yield (3/4)*100 (€c)</b>	<b>9.6</b>

RASK	1) Total Revenues (€m)	8,017
	2) Other operating income (€m)	248
	3) Reversal of provisions (€m)	48
	4) FX losses (€m)	-65
	= 5) Basis for RASK (1)+(2)-(3)+(4) (€m)	8,152
	6) ASK (m) <sup>2)</sup>	86,945
	<b>RASK (5/6)*100 (€c)</b>	<b>9.4</b>

CASK	1) Total operating expenses (€m)	-7,686
	2) Reversal of provisions (€m)	48
	3) FX losses (€m)	-65
	4) Fuel expenses (€m)	-2,050
	5) Emission Trading (€m)	-125
	= 6) Basis for CASK (1)+(2)-(3)-(4)-(5) (€m)	-5,398
	7) ASK (m) <sup>2)</sup>	86,945
	<b>CASK -(6)/(7)*100 (€c)</b>	<b>6.2</b>

<sup>1)</sup> RPK: Revenue Passenger Kilometers, <sup>2)</sup> ASK: Available Seat Kilometers

# Performance of Group Airlines in Q2 2024

Q2 2024 Performance		ASK vs. 2019	Revenue [m EUR]	Adj. EBIT [m EUR]	Adj. EBIT margin
Lufthansa Airlines		86.5%	4,514	213	4.7%
SWISS		98.0%	1,665	246	14.8%
Austrian Airlines		92.4%	667	60	9.0%
Brussels Airlines		76.9%	394	11	2.8%
Eurowings		118.6%	829	50	6.0%
<b>Passenger Airlines</b>		<b>91.4%</b>	<b>8,017</b>	<b>581</b>	<b>7.2%</b>

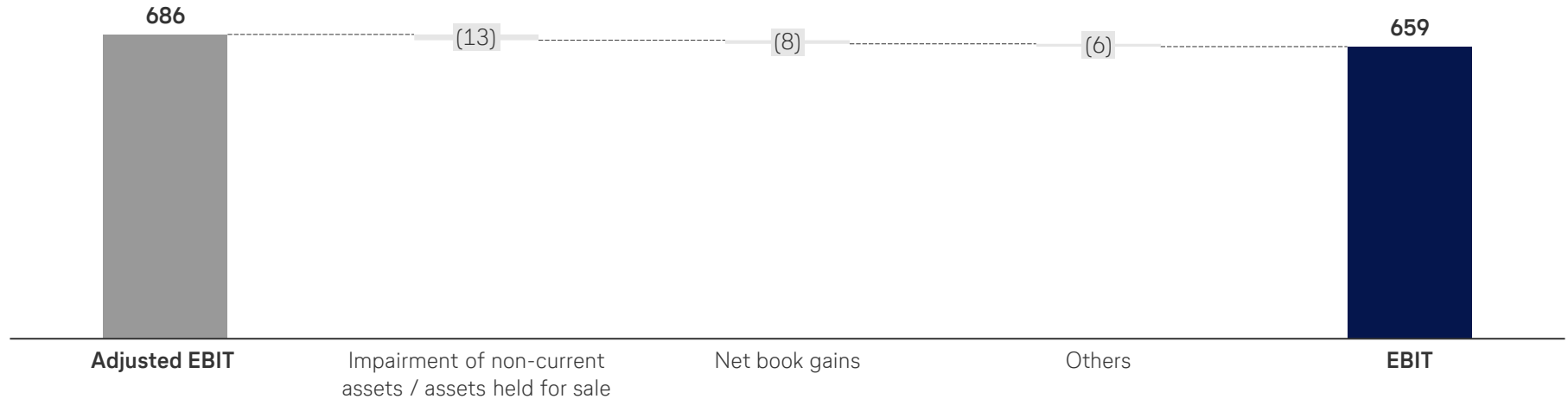


# Group P&L

Lufthansa Group (in EUR m)	Q2'24	vs. Q2'23
Revenues	10,007	+7%
Total operating income	10,632	+5%
Operating expenses	9,969	+10%
Of which fees & charges	1,326	+10%
Of which fuel	2,148	+11%
Of which staff	2,228	+8%
Of which depreciation	571	+3%
Result from equity investments	23	nmf.
Adjusted EBIT	686	-37%
Adjusted EBIT Margin	6.9%	-4.7%pts
Adjustments	-27	-575%
EBIT	659	-39%
Net interest income	-38	+54%
Other financial items	-49	nmf.
EBT	572	-46%
Income taxes	-99	-47%
Profit / loss from discontinued operations	0	-100%
Profit / loss attributable to minority interests	-4	nmf.
Net income	469	-47%

# EBIT / Adjusted EBIT bridge Q2 2024

in EUR million



# Cash flow statement

Lufthansa Group (in m EUR)	Q2' 24	vs. Q2' 23	
<b>EBT</b> (earnings before income taxes)	<b>572</b>	<b>-489</b>	①
Depreciation & amortization (incl. repairable MRO materials)	608	+46	
Net proceeds from disposal of non-current assets	8	+24	
Result of equity investments	23	+28	
Net interest	-38	+44	
Income tax payments/reimbursements	-15	+84	
Significant non-cash-relevant expenses / income	-5	+82	
Change in trade working capital	544	+412	②
Change in other assets / liabilities	-250	-104	
<b>Operating cash flow</b>	<b>1,477</b>	<b>-42</b>	
Capital expenditure (net)	-814	17	③
<b>Free cash flow</b>	<b>663</b>	<b>-25</b>	
<b>Adjusted Free cash flow</b>	<b>573</b>	<b>-16</b>	
Cash and cash equivalents as of 30.06.2024 excl. assets held for sale	1,634	+392	
Current securities	6,393	-1,090	
Total Group liquidity	8,027	-698	

① Significant decrease in the operating result compared to the previous year

② Stronger increase in liabilities from growing business activities

③ Mainly related to new aircraft deliveries and capitalized maintenance events

# Multi-year financial overview

Lufthansa Group (in EUR million, as reported)	2016	2017	2018	2019 <sup>1</sup>	2020	2021	2022 <sup>4</sup>	2023
<b>Operating KPIs (change vs. prior year)</b>								
RASK ex currency	-5.9%	+1.9%	-0.5%	-2.5%	-26.7%	-6.1%	-6.1%	+11.0%
CASK ex currency, ex fuel <sup>2</sup>	-2.5%	-1.8%	-1.7%	-1.5%	+84.6%	-25.8%	-25.8%	+2.3%
<b>Profit &amp; Loss</b>								
Revenues	31,660	35,579	35,542	36,424	13,589	16,811	30,895	35,442
Fuel Cost	4,885	5,232	6,087	6,715	1,875	2,409	7,601	7,931
Adjusted EBIT	1,752	2,969	2,836	2,026	-5,451	-1,666	1,520	2,682
Adjusted EBIT Margin	5.5%	8.3%	8.0%	5.6%	-40.1%	-9.9%	4.9%	7.6%
<b>Balance Sheet</b>								
Total Assets	34,697	35,778	38,213	42,659	39,484	42,538	43,335	45,321
Net Financial Debt and Pension Liabilities	11,065	8,000	9,354	13,321	19,453	15,563	8,864	8,358
Adjusted ROCE	7.0%	11.9%	10.6%	6.6%	-16.7%	-7.4%	7.6%	13.1%
<b>Cash Flow statement</b>								
Operating Cash Flow	3,246	5,368	4,109	4,030	-2,328	399	5,168	4,945
Capital expenditure (net)	2,108	3,251	3,859	3,448	962	1,119	2,286	2,811
Free Cash Flow <sup>3</sup>	1,138	2,117	288	203	-3,669	-1,049	2,526	1,846

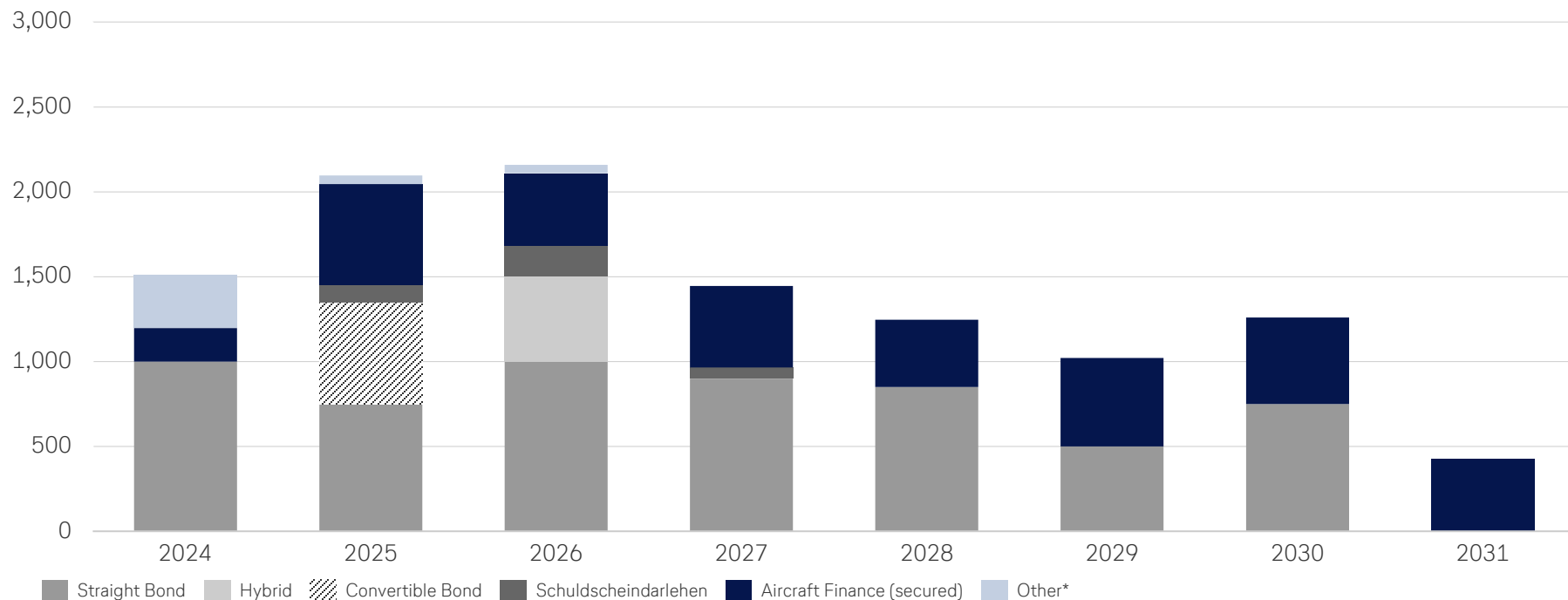
<sup>1</sup> 2019 reported figures including effects from IFRS 15 treatment of compensation payments, 2017 restated for better comparability

<sup>2</sup> Adjusted for pension effects in 2016 and 2017 as a result from the change from defined benefit to defined contribution

<sup>3</sup> Adjusted free cash flow from 2018 onwards

<sup>4</sup> 2022 figures have been adjusted for discontinued operations (segment catering).

# Maturity profile of borrowings as of June 30, 2024



\*Mainly bilateral loans – does not include operating lease payments; as drawn on June 30 - including AirPlus ABCP program