



**LUFTHANSA GROUP**

A photograph of a modern airport terminal with large glass windows. Two Lufthansa crew members, a man and a woman in dark blue uniforms, are standing inside the terminal, looking out. Outside, the tail of a Lufthansa aircraft with the red and white Swiss cross is visible. The text 'Q4 and FY 2018 Analyst and Investor Conference Call' is overlaid on the bottom right of the image.

# Q4 and FY 2018

## Analyst and Investor Conference Call

Frankfurt, 14 March 2019

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A large glass window of an airport terminal reflects the sky and surrounding structures. Inside the terminal, two men in Lufthansa uniforms are standing and talking. Outside, the tail of a Lufthansa aircraft with the red cross logo is visible through the glass.

# Q4 and FY 2018

## Analyst and Investor Conference Call

**Carsten Spohr**, CEO and Chairman of the Executive Board

Frankfurt, 14 March 2019

# Lufthansa Group in 2018

Highest revenue in history

**35.8** bn €



2<sup>nd</sup> best result in history

**2.8** bn €

(Adj. EBIT margin: 7.9%)



**100 years  
anniversary  
of the crane**

**+10% passengers**



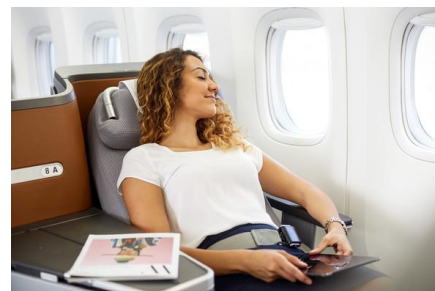
Unit cost reduction

**-1.7%**

(CASK excl. fuel, excl. currency,  
including change in engine overhaul acc.)



Europe's first and only  
5-Star rated airline



Attractive return

**+10.6%**

(Adjusted ROCE after tax)



# Q4 and FY 2018

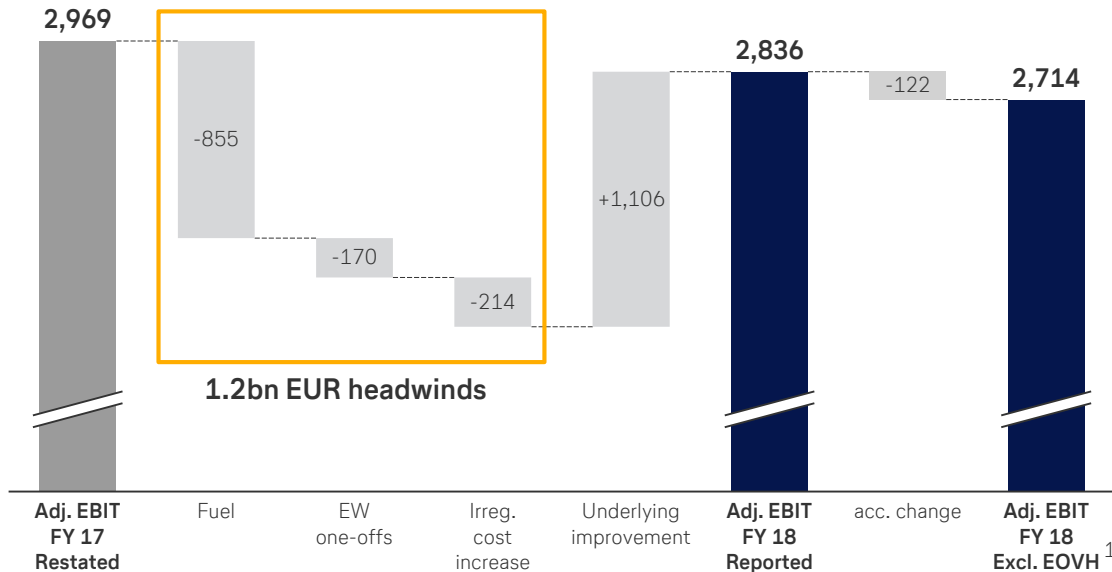
## Analyst and Investor Conference Call

**Ulrik Svensson**, CFO and Member of the Executive Board

Frankfurt, 14 March 2019

# Significant headwinds almost compensated by underlying improvements

## Group Adjusted EBIT



## Comments

- Adjusted EBIT performance in line with initial guidance
- Headwinds from fuel cost increase, integration costs at Eurowings and rising irregularity costs larger than originally expected
- Profitable growth and cost reductions drive underlying improvements

<sup>1</sup> EOVB = Capitalization of Engine Overhaul events

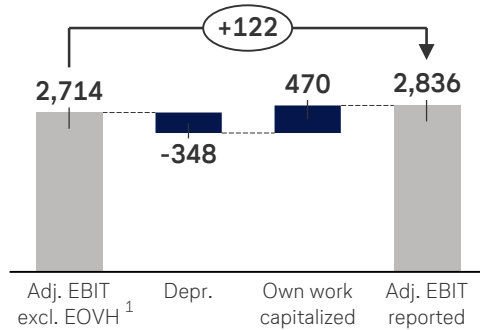
# Capitalization of engine overhauls improves view on airlines' performance

## Context

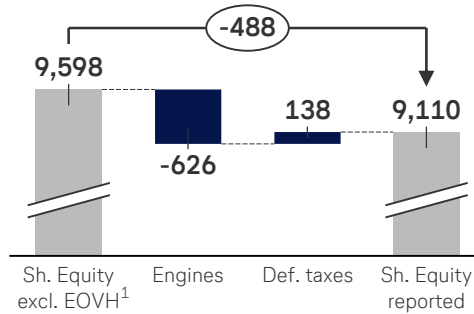
- Capitalization of engine overhauls provides **better view on underlying profit performance of the Airlines by reducing volatility in MRO costs**
- Change in accounting makes Group airlines more comparable to competition
- **Restatement of 2017 and 2018 assets, expenses, depreciation and capex in the FY 2018 financial accounts**

## Effect on Lufthansa Group

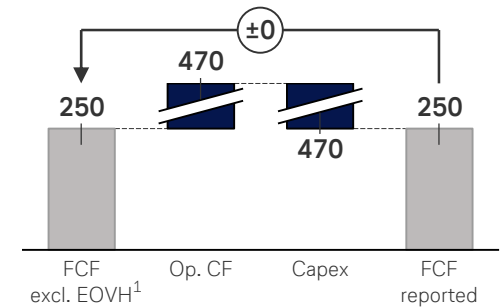
### Effect on Profit & Loss:



### Effect on Balance Sheet:



### Effect on Cash Flow:

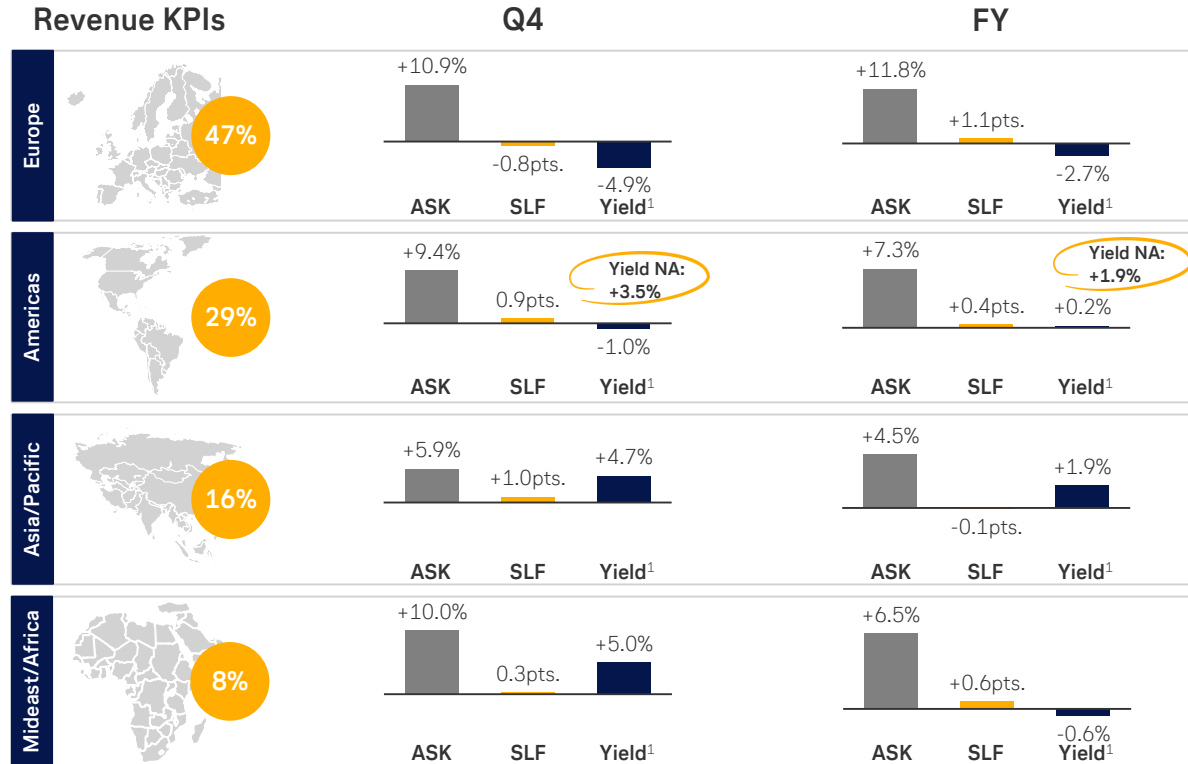


**Accounting change increases 2018 Adjusted EBIT by 122m EUR**

<sup>1</sup> EOVS = Capitalization of Engine Overhaul events



# Strength in long-haul continues, short-haul remains challenged by oversupply



## Comments

- European yield affected by a tough comparison base, the Group's response to competition and high market-wide capacity growth, especially towards the end of the year
- Performance in the US accelerates in the fourth quarter, South America impacted significantly by weak Brazilian market
- Japan and China drive yield improvement in Asia/Pacific

<sup>1</sup> Excl. currency and IFRS 15

● % of Traffic Revenues as of FY 18



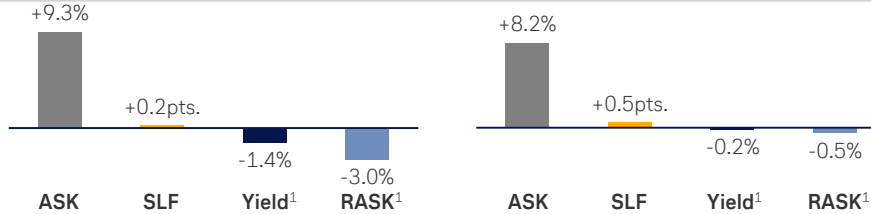
# Network Airlines grow full year unit revenues

## Revenue KPIs

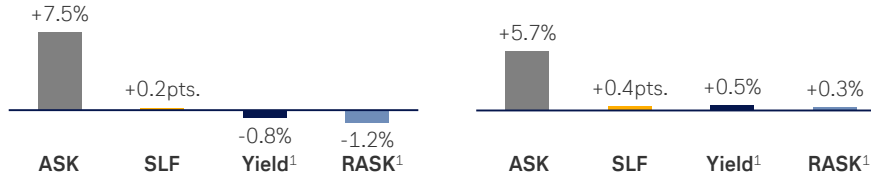
Q4

FY

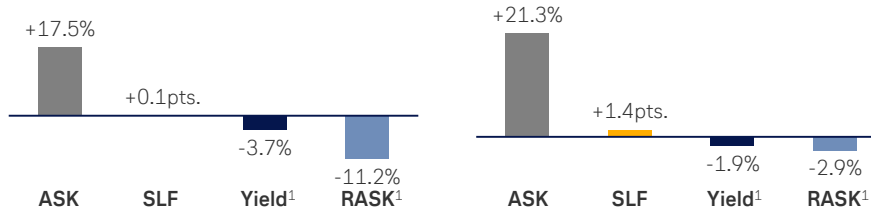
### Passenger Airlines



### Network Airlines



### Eurowings

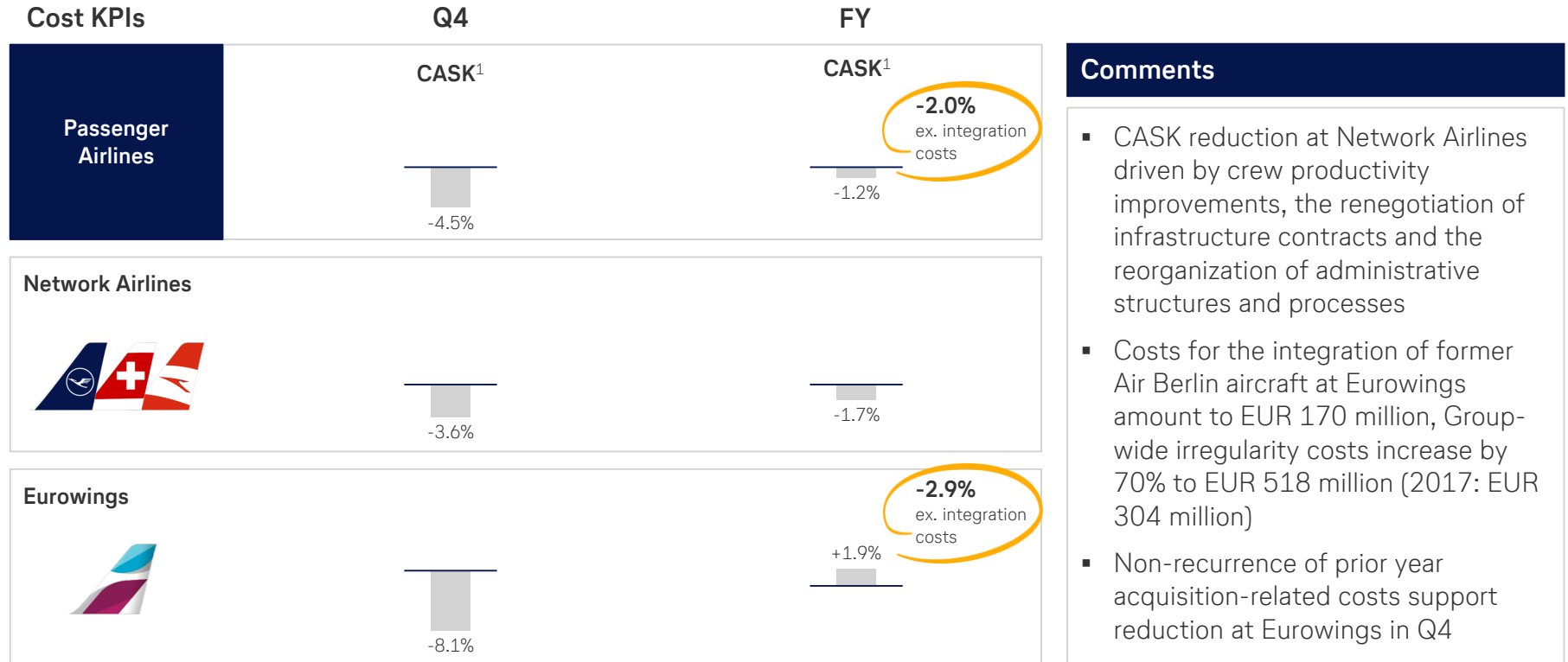


## Comments

- RASK of all Network Airlines up in the full year due to strength in long-haul
- RASK decline of Network Airlines in Q4 entirely due to pressures in short-haul
- Eurowings RASK declines due to non-recurrence of prior year demand surge after Air Berlin market exit

<sup>1</sup> Excl. currency and IFRS 15

# Irregularity costs and one-offs mask even better underlying cost performance



<sup>1</sup> Excl. currency, excl. fuel

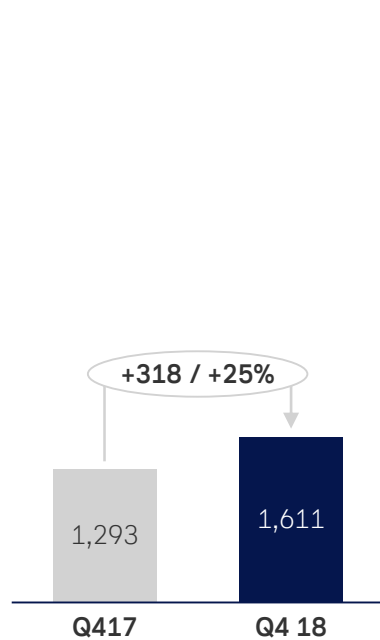
Figures exclude the effect of the capitalization of engine overhaul events

# Fuel cost increase significantly in 2018

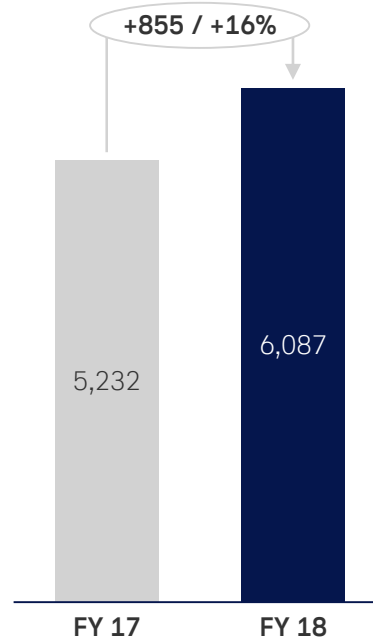
## Fuel Cost



## Q4



## FY

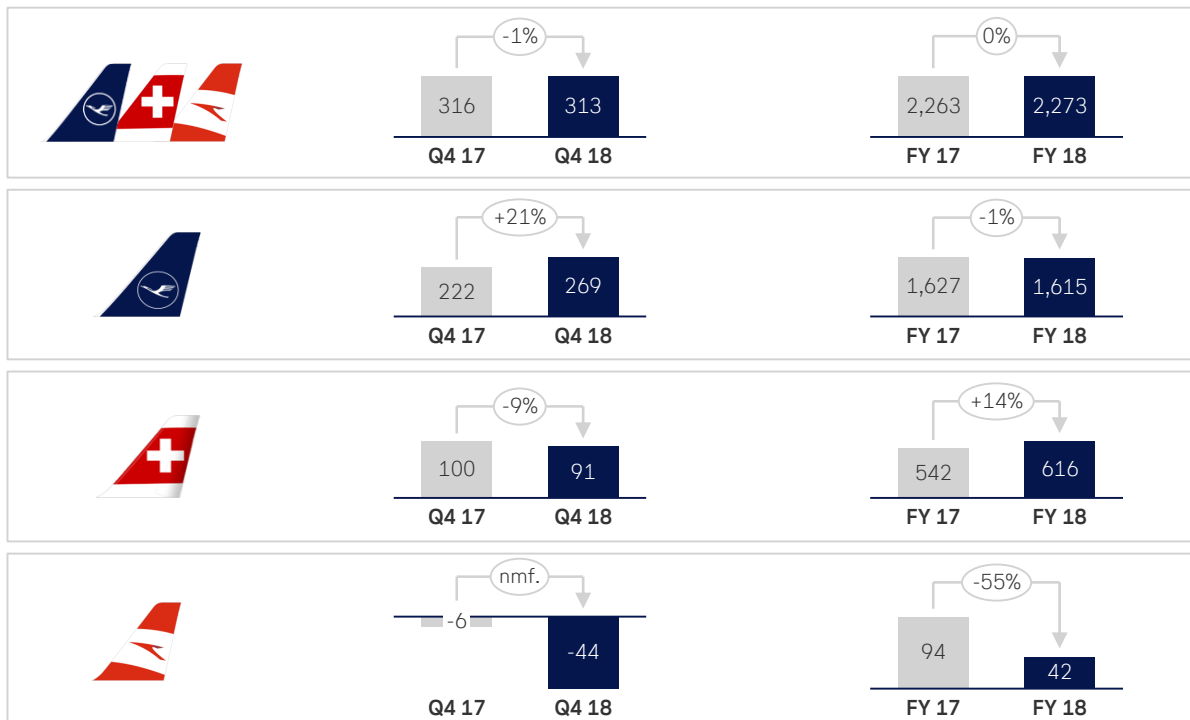


## Comments

- Average jet fuel price 15% above prior year level
- Around EUR 250 million of full year increase attributable to capacity growth
- Hedging limits fuel cost increase

# Network Airlines fully offset rising fuel costs

## Adjusted EBIT



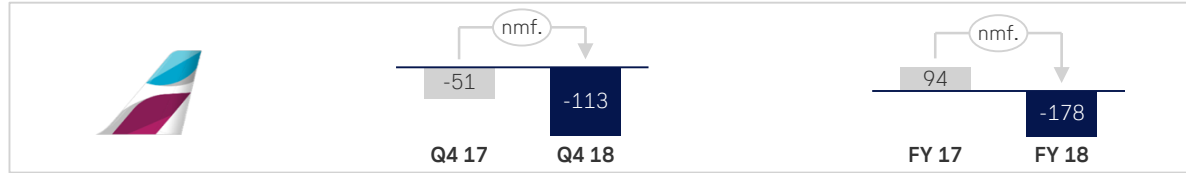
Figures exclude the effect of the capitalization of engine overhaul events

## Comments

- Lufthansa offsets higher fuel costs by growing unit revenues and reducing unit costs
- Profit growth at SWISS driven by higher loads and yields
- Austrian Airlines impacted by tough market situation in short-haul

# Eurowings results distorted by one-off effects

## Adjusted EBIT



## Comments

- Full year loss largely due to expenses of around EUR 170 million related to the integration of former Air Berlin aircraft
- Irregularity costs more than double compared to the previous year
- Reported Adjusted EBIT of negative EUR 231 million includes a negative effect of EUR 53 million related to the change in the accounting of engine maintenance

## Operational KPIs

Passengers

+18%

Aircraft<sup>1</sup>

+77

Figures exclude the effect of the capitalization of engine overhaul events

<sup>1</sup> Integrated in the wake of the Air Berlin insolvency

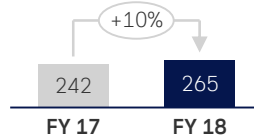
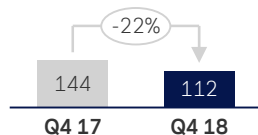
# Profits grow across all Aviation Services

## Adjusted EBIT

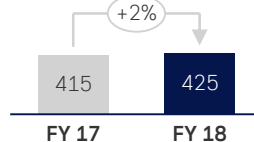
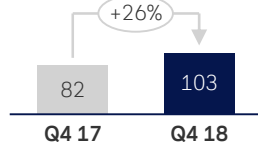
Q4

FY

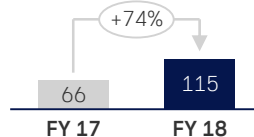
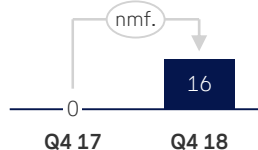
### Lufthansa Cargo



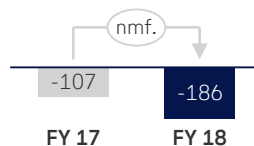
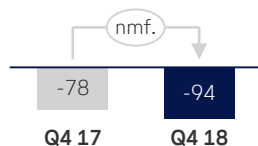
### Lufthansa Technik



### LSGgroup



### Others & Consolidation



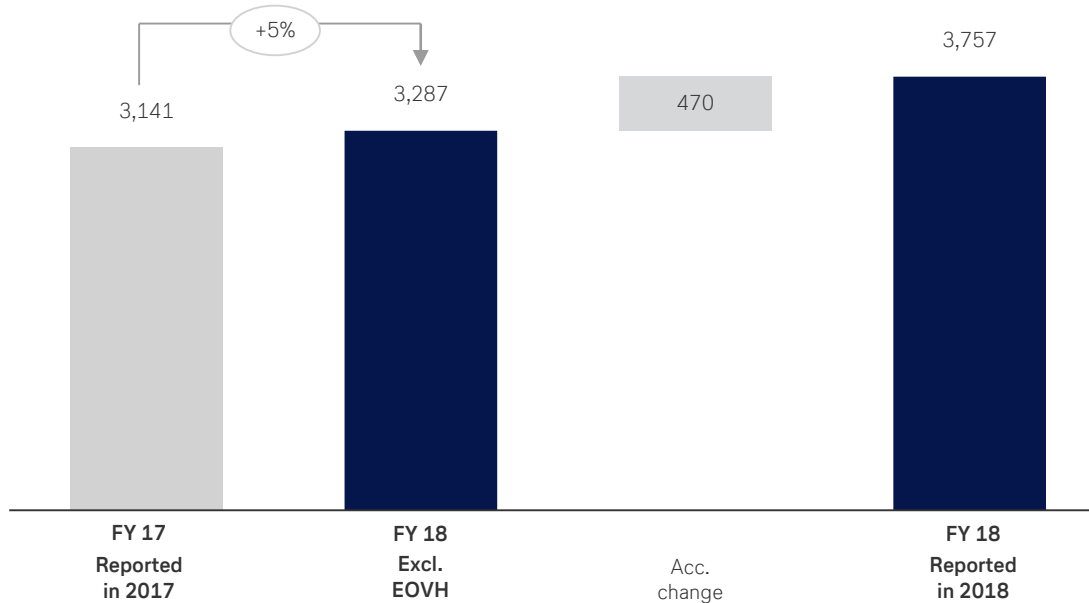
## Comments

- Cargo profits up in the full year, Q4 result reflects normalization after prior year record level
- Technik benefits from improvements in engine overhaul business towards the end of the year
- Restructuring of European business at LSG Group is making progress

Figures exclude the effect of the capitalization of engine overhaul events

# Group investments focus on fleet modernization

## Gross Investments<sup>1</sup>



<sup>1</sup> Excluding cash-outs from equity investments

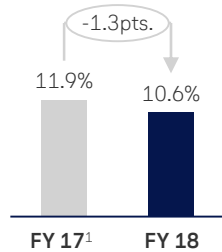
## Comments

- Investments broadly on prior year level excluding the effect of the capitalization of engine overhaul events
- 3.3bn EUR invested in aircraft and engines
- 46 aircraft added in 2018

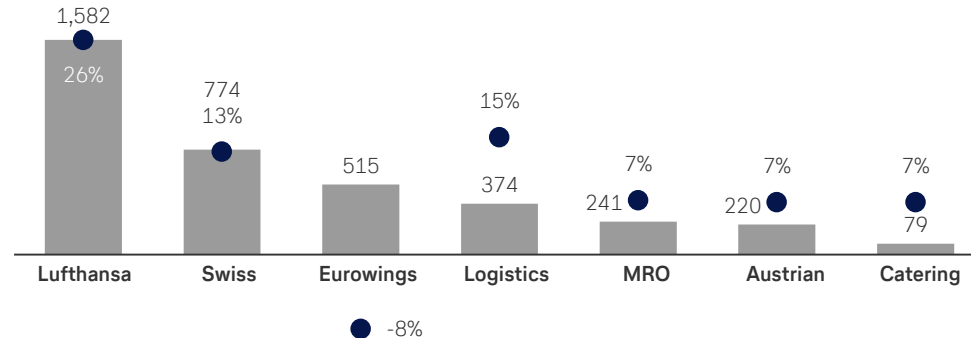


# Allocation of investments is driven by capital return performance

## Adjusted ROCE after tax



## Gross Investments and Adjusted ROCE after tax per business



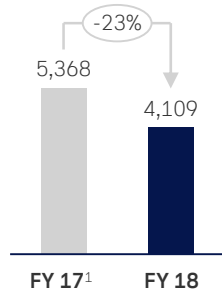
- Pre-tax ROCE amounts to 14.2%

- Capital return performance drives investment allocation decision
- Hurdle rate consists of WACC plus division-specific risk premium
- High investments at Eurowings reflect unique opportunity to consolidate the German market

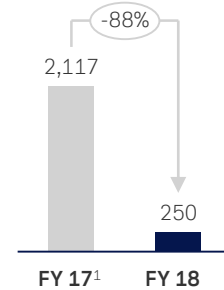
<sup>1</sup> 2017 restated for capitalization of engine overhaul events

# Balance sheet remains strong

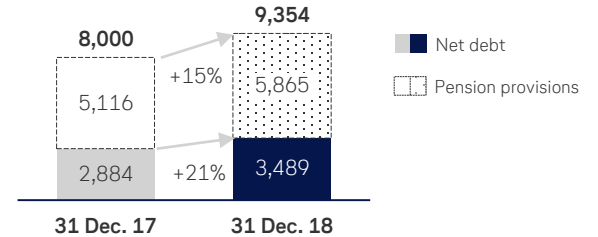
## Operating Cash Flow



## Free Cash Flow



## Net Debt / Pension Provisions



- Decline due to non-recurrence of positive prior year effects (trade working capital) as well as higher variable compensation and tax payments in 2018

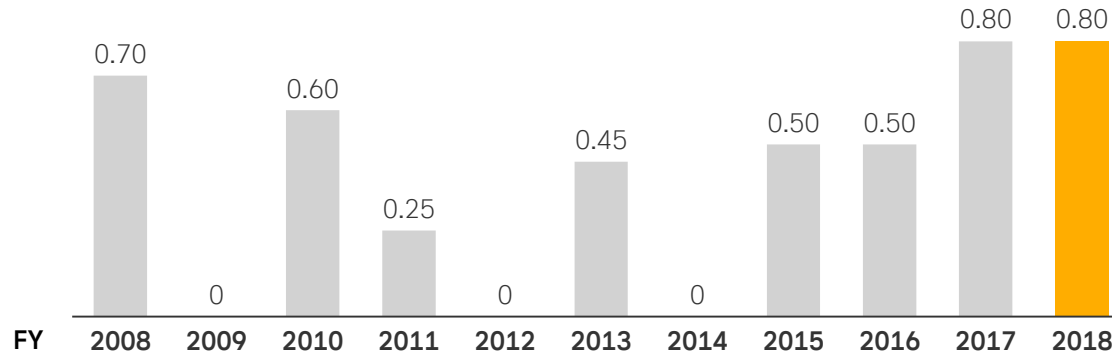
- Decrease due to lower operating cash flow and higher investments

- Pension provisions increase due to negative performance of plan assets
- Adj. Net debt/Adj. EBITDA at 1.8 comfortably below upper end of target range of 3.5

<sup>1</sup> 2017 restated for net presentation of interests

# Dividend proposal amounts to 80 Cents per share

## Dividend per share in EUR



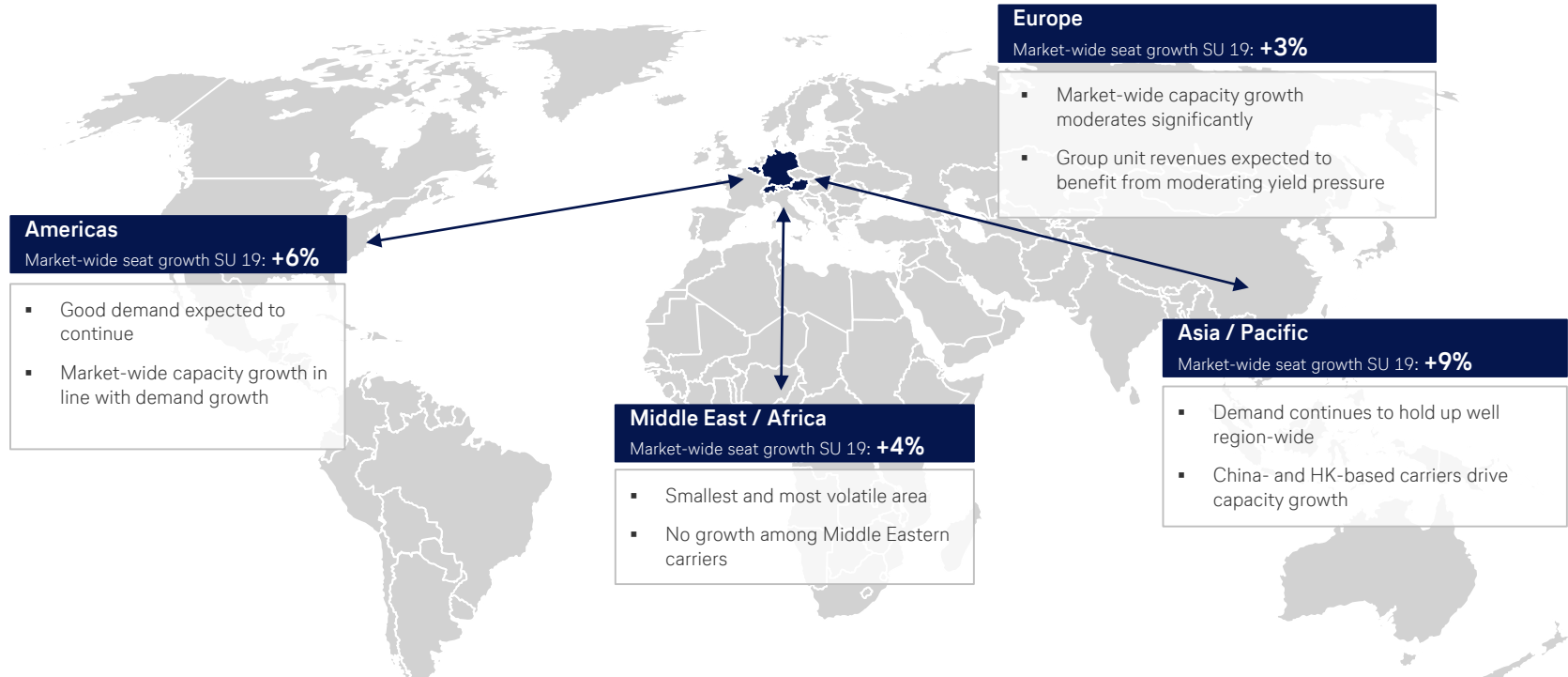
## Dividend Policy

Base	EBIT
Pay-out	10% - 25%

## FY 2018

2,974m EUR
13% (0.80 EUR per share = 380m EUR)

# Group Airlines further reduce capacity growth

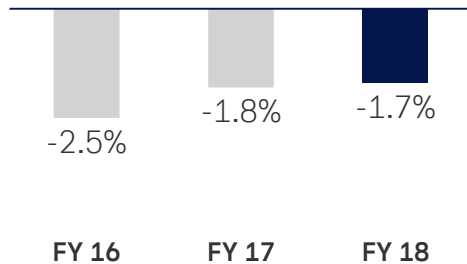


**Lufthansa Group will moderate capacity growth from originally 3.8% to 1.9% in Summer 2019**

# Lufthansa Group Airlines will further reduce unit costs in 2019

Successful CASK reduction ...

...set to continue in 2019



**New aircraft**  
(c. 20% less operating  
cost each)



**Process improvements**



**Staff productivity gains**

**Ambition:**  
1% to 2%  
CASK  
reduction  
**every year**



**Continuous optimization  
of MRO costs**

**Turnaround**



**Lower distribution cost**  
(increasing share of direct sales)

# Lufthansa Group expects EBIT margin between 6.5% and 8.0% in 2019

Passenger Airlines				
	Network Airlines		Eurowings	
Capacity growth <small>(ASK)</small>	c. +4%		c. +2%	
Unit revenue <small>(RASK, at constant currency)</small>	stable to down low-single digit		stable to up low-single digit	
Unit cost <small>(CASK, at constant currency, excl. fuel)</small>	-0.5% to -1.5%		-7.0% to -9.0%	
Fuel <small>(year-on-year change)</small>	+550m EUR		+100m EUR	
Adjusted EBIT margin	7.5% to 9.5%		around 0%	
Non-PAX				
	Logistics	MRO	Catering	Others
Revenue growth	up high-single digit	up mid-single digit	stable	
Adjusted EBIT margin	7% to 9%	7% to 8%	2% to 4%	
Adjusted EBIT <small>(year-on-year change)</small>				-150m EUR
Lufthansa Group				
Revenue growth	up mid-single digit			
Adjusted EBIT margin	6.5% to 8.0%			



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A photograph of a modern airport terminal with large glass windows. Two Lufthansa pilots in uniform are standing inside, looking out. Outside the window, the tail of a Lufthansa aircraft with the red and white Swiss cross is visible. The text is overlaid on the bottom right of the image.

# Q4 and FY 2018

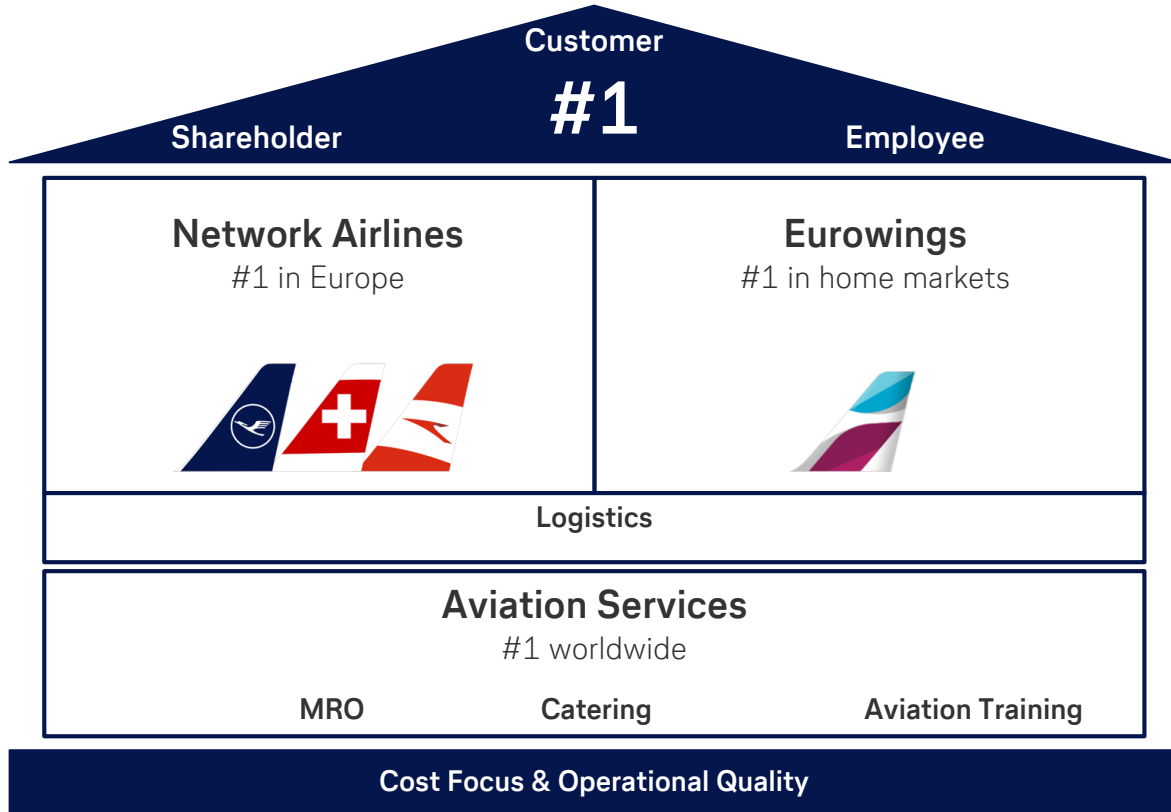
## Analyst and Investor Conference Call

**Carsten Spohr**, CEO and Chairman of the Executive Board

Frankfurt, 14 March 2019



In a challenging environment we will build on our strengths



# A strong brand and a superior product differentiate us from our competition

## A strong and well recognized brand...

### A strong brand...

**#1** most trusted brand (Germany)

**#5** strongest brand value growth (Airlines)

**#10** most valuable brand world-wide (Airlines)

Brand Finance / BrandZ

### ...recognized by experts...



Skytrax Certified Ratings



Airline of the year 2019

### ...and customers



**#7** World's best airline

Best Airline in Europe

Best Business Class in Europe

Skytrax Passenger's Choice Awards 2018

## ...with a full pipeline of new products and services



**New  
Premium**

Individualization

Comfort

Hospitality

160+  
Product  
initiatives

### Pre-flight



Innovative booking services  
Common App

### Ground



Additional 7,000 sqm by 2023  
Introduction of biometric boarding

### On board



All new seats by 2026  
Business Class from 2020  
Economy Class from 2019

### Food & Beverage



More choice  
More personalization

### In-flight Entertainment



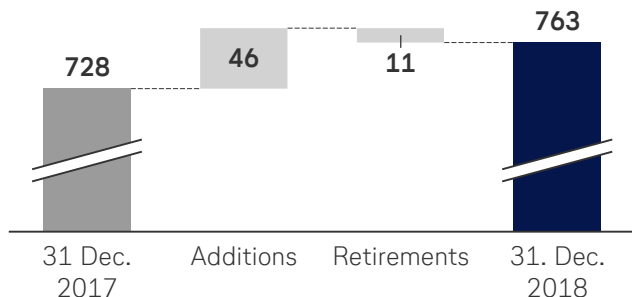
New IFE from 2020  
Control through own device



**LUFTHANSA GROUP**

# Fleet modernization benefits customers, shareholders and the environment

## Group Fleet 2018



- 6 new A320neo, 2 A320ceo and 13 CSeries contribute to the modernization of the short-haul fleet
- 17 used or leased aircraft acquired in addition
- 6 new A350 and 2 B777 aircraft upgrade long-haul fleet

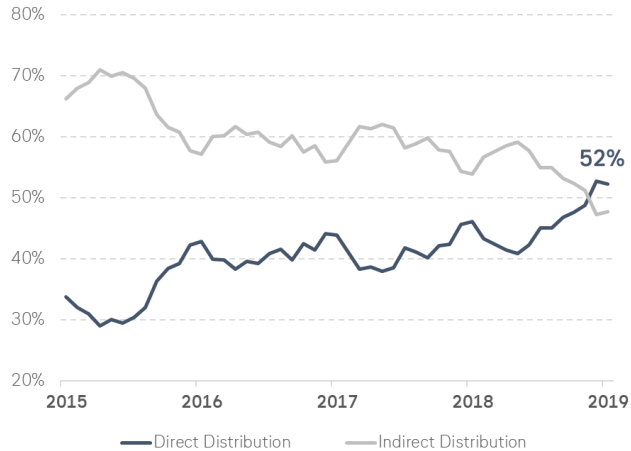
## Order book

		Delivery Schedule						
		2019	20	21	22	23	24	25
Long-Haul	20 Boeing 787-9 New							
	20 Airbus 350-900 New							
	13 Airbus 350-900							
	38 Boeing 777							
	2 Airbus 330							
	<b>93</b>							
Short-Haul	133 A320 Family (inc. neo)							
	7 Bombardier CSeries							
	<b>140</b>							

- New orders for 20 A350 and 20 B787 for delivery between 2022 and 2027
- Fleet modernization drives significant improvement of fuel efficiency and reduction of carbon emissions
- Complete modernization of long-haul fleet by mid of next decade; reduction of fleet complexity by phase-out of 7 aircraft types

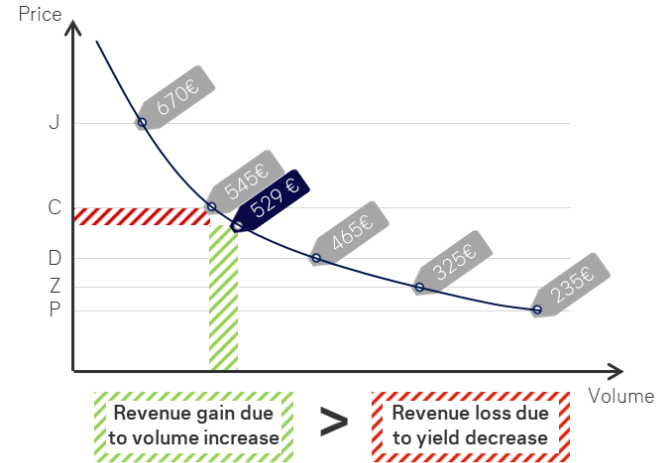
# Innovation in revenue management will start to have an impact in 2019

## Distribution strategy



- Share of direct distribution steadily increasing
- Greater choice and more personalized offer
- Ancillary revenues expected to grow

## Revenue management



- Continuous pricing will be expanded in 2019
- Expansion expected to grow booking volumes

# Eurowings will focus on its turnaround in 2019

## Eurowings in 2018

**#1** position in home market

**#3** position in Europe

**4.2**bn EUR Revenues

**38.5**m Passengers



## Fleet

136



2016

180



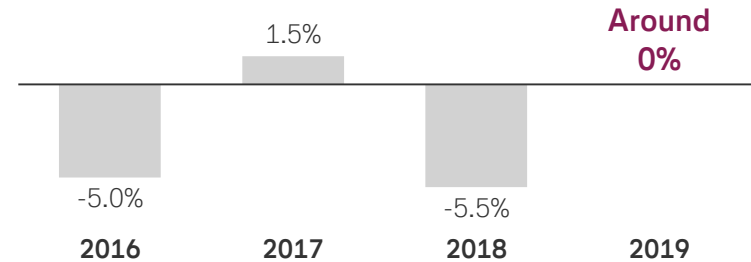
2017

205



2018

## Adjusted EBIT Margin



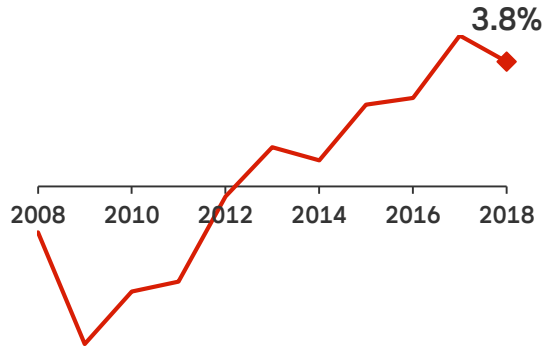
## Profitability drivers in 2019

- 1 Improvement of crew and aircraft productivity – one AOC per base
- 2 Reduction of irregularity costs
- 3 Refinement of long-haul strategy

# Austrian Airlines addresses market challenges

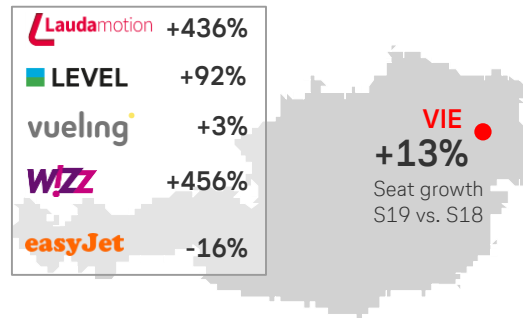
## Performance has improved...

### Adjusted EBIT Margin

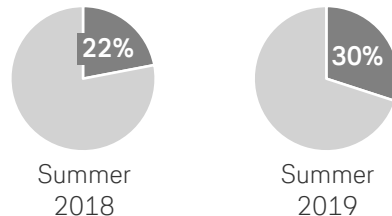


## ...but competitive pressures mean...

### Strong LCC growth in Vienna



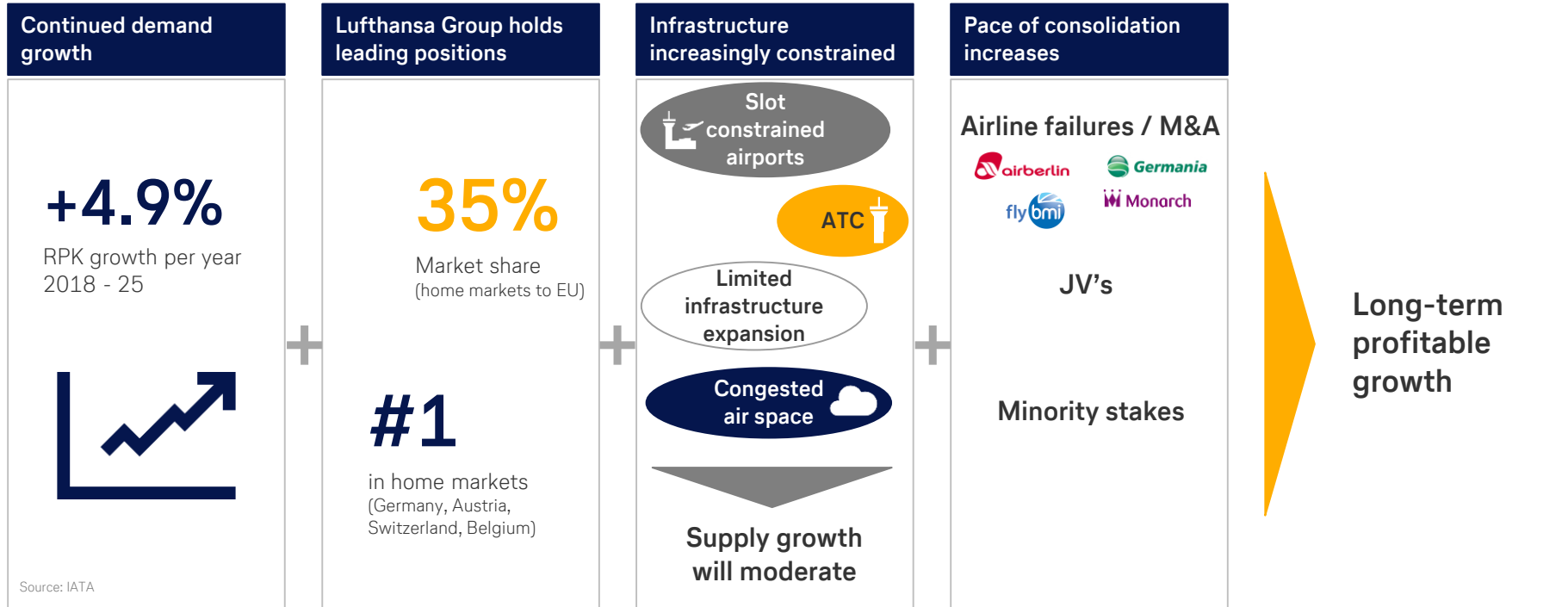
### Increasing LCC market share



## ... that AUA must adapt its strategy

- Expansion and streamlining of short-haul fleet:  
Replacement of 18 Dash 4 aircraft by 10 A320 family aircraft
- Network optimization:  
Greater focus on Vienna (+ 10% ASK) and realignment of long-haul routes
- Streamlining of operational and administrative processes

# Lufthansa Group will capitalize on its leading position in a constrained industry





# **Appendix**

- supplementary information -

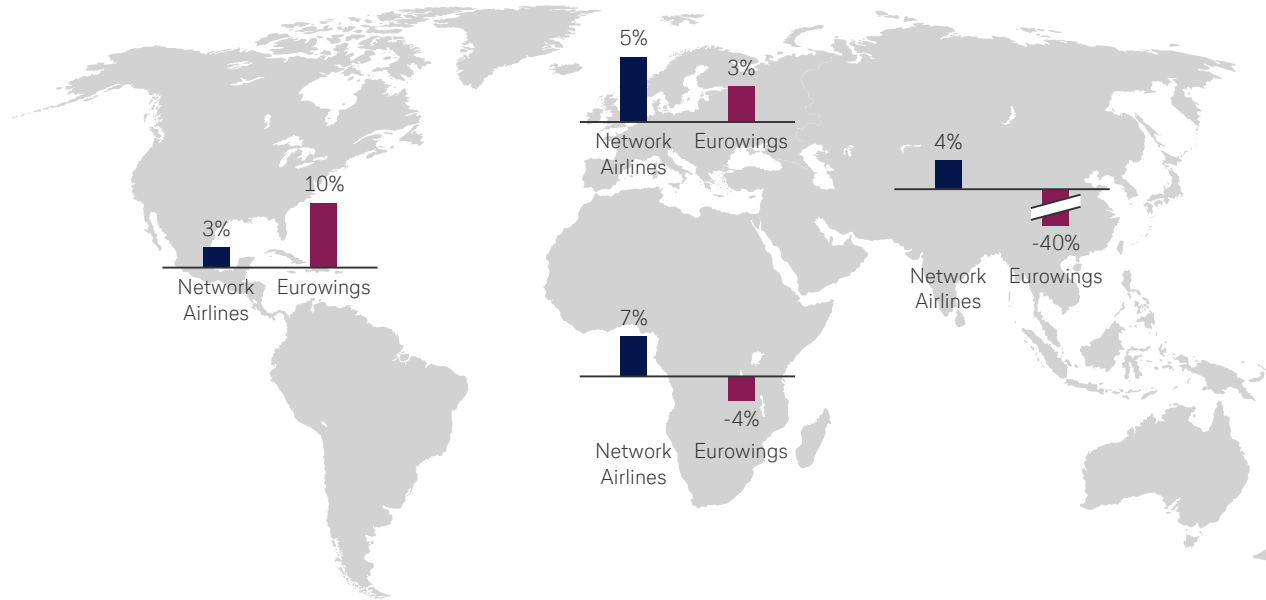
# Financial guidance 2019 / 2018 Base

Passenger Airlines		
	Network Airlines	Eurowings
ASK	284,741m	64,748m
RASK	8.1 Ct.	6.8 Ct.
CASK	5.6 Ct.	5.7 Ct.
Fuel cost	4,713m EUR	973m EUR
Adjusted EBIT margin	10.7%	-5.5%

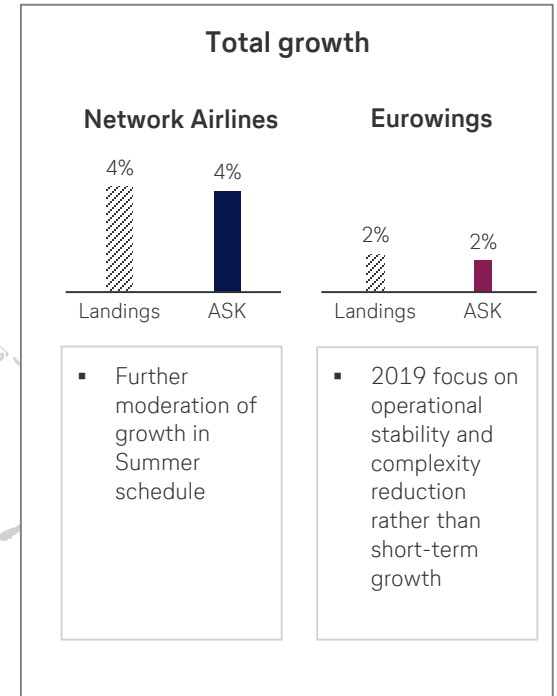
Non-PAX				
	Logistics	MRO	Catering	Others
Revenue	2,713m EUR	5,918m EUR	3,217m EUR	
Adj. EBIT margin	9.9%	7.2%	3.6%	
Adj. EBIT				-189m EUR

Lufthansa Group	
Revenue	35,844m EUR
Adj. EBIT margin	7.9%

# Planned capacity growth for 2019



Status: October 2018; All capacity plans indicative and subject to change



# Group P&L

Lufthansa Group (in m EUR)	Q4 '18	vs. Q4 '17
Total revenue	8,947	+2%
Other operating income	730	-0%
Total operating income	9,677	+1%
Operating expenses	9,201	+6%
Non-fuel operating expenses	7,590	+3%
Cost of materials and services	4,818	+1%
Fuel expenses	1,611	+25%
Fees and charges	1,084	-31%
Staff costs	2,282	+33%
Depreciation	577	-15%
Other operating expenses	1,524	+1%
Result from equity investments	41	+156%
<b>EBIT</b>	<b>516</b>	<b>-42%</b>
Adjustments	-138	-70%
<b>Adjusted EBIT</b>	<b>378</b>	<b>-11%</b>

FY '18	vs. FY '17
35,844	+1%
2,349	-13%
38,193	-0%
35,393	+1%
29,306	-2%
18,669	-2%
6,087	+16%
4,457	-30%
8,811	+8%
2,205	-7%
5,708	+3%
174	+11%
<b>2,974</b>	<b>-10%</b>
-138	-58%
<b>2,836</b>	<b>-5%</b>

2018 reported figures including effects from the capitalization of engine overhaul, 2017 restated for better comparability

# Group P&L / Impact of accounting changes

Lufthansa Group (in m EUR)	FY '18	vs. FY '17	
Total revenue	35,844	+1%	+6% excl. IFRS 15
Other operating income	2,349	-13%	
Total operating income	38,193	-0%	+6% excl. IFRS 15
Operating expenses	35,393	+1%	+7% excl. IFRS 15
Non-fuel operating expenses	29,306	-2%	
Cost of materials and services	18,669	-2%	+10% excl. IFRS 15
Fuel expenses	6,087	+16%	
Fees and charges	4,457	-30%	+6% excl. IFRS 15
Staff costs	8,811	+8%	
Depreciation	2,205	-7%	
Other operating expenses	5,708	+3%	
Result from equity investments	174	+11%	
<b>EBIT</b>	<b>2,974</b>	<b>-10%</b>	
Adjustments	-138	-58%	
<b>Adjusted EBIT</b>	<b>2,836</b>	<b>-4%</b>	-9% excl. MRO acc. change
<b>Adjustment EBIT Margin</b>	<b>7.9%</b>	<b>-0.4pts.</b>	

## Comments

- Mandatory implementation of IFRS 15 requires netting of revenues arising from contracts with customers and related expenses (ticket related taxes, airport fees etc.)
- Change in MRO accounting has positive effect on 2018 profits but is neutral in the long-term term

2018 reported figures including effects from the capitalization of engine overhaul, 2017 restated for better comparability

# Adoption of IFRS 15

## Context

- IFRS 15 relates to the accounting of revenues arising from contracts with customers
- Netting of revenues and related expenses required in some cases (e.g. ticket related taxes, airport fees)

## Effect on Lufthansa Group

**P&L**

	2018	2017
Revenues	10,000	10,000
Costs	(8,000)	(8,000)
EBIT	2,000	2,000

### Revenues and costs:

- Both reduced in absolute terms
- RASK (c. -8%); CASK (c. -10%)
- EBIT remains unaffected, thus higher EBIT Margin

IFRS 15 is applied prospectively, thus no adjustment for previous years have been made. A note in the appendix of the 2018 Annual Accounts quantifies the like for like development

### IFRS 15 effect in FY '18 on traffic revenue and fee expenses

<b>Lufthansa German Airlines</b>	<b>-1,293.5</b>
Swiss	-73.3
Austrian Airlines	-303.5
<b>Network Airlines</b>	<b>-1,670.3</b>
<b>Eurowings</b>	<b>-586.9</b>
<b>Lufthansa Group</b>	<b>-2,257.2</b>
in m EUR	

**Structural improvement of Adj. EBIT margin around 0.4 pts.<sup>1</sup>**

<sup>1</sup> Calculated for FY 2018

# Adoption of IFRS 16

## Context

- New accounting standard **IFRS 16 is applicable from 2019 onwards**
- **Lease liabilities must be recognized** in the financial accounts at the present value of the contractually agreed lease payments for leases with a term of more than twelve months

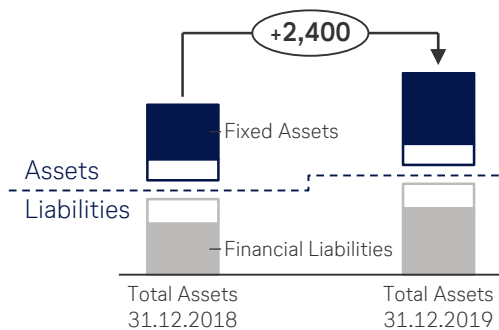
## Effect on Lufthansa Group

### Effect on Profit & Loss:

<b>EBITDA</b>	<b>+385</b>
./. AfA	-360
<b>EBIT</b>	<b>+25</b>
./. Zinsaufwand	-50
<b>EBT</b>	<b>-25</b>

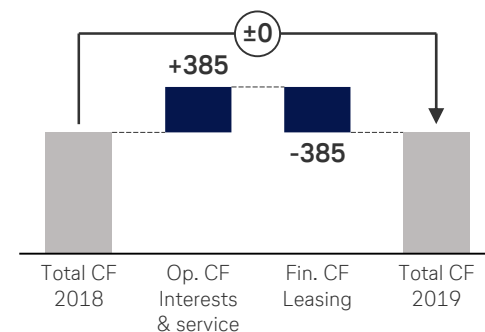
Adjusted EBIT Margin: + c. 0.1pts

### Effect on Balance Sheet:



Adj. ROCE: -1.1pts // Leverage: +0.3x

### Effect on Cash Flow:

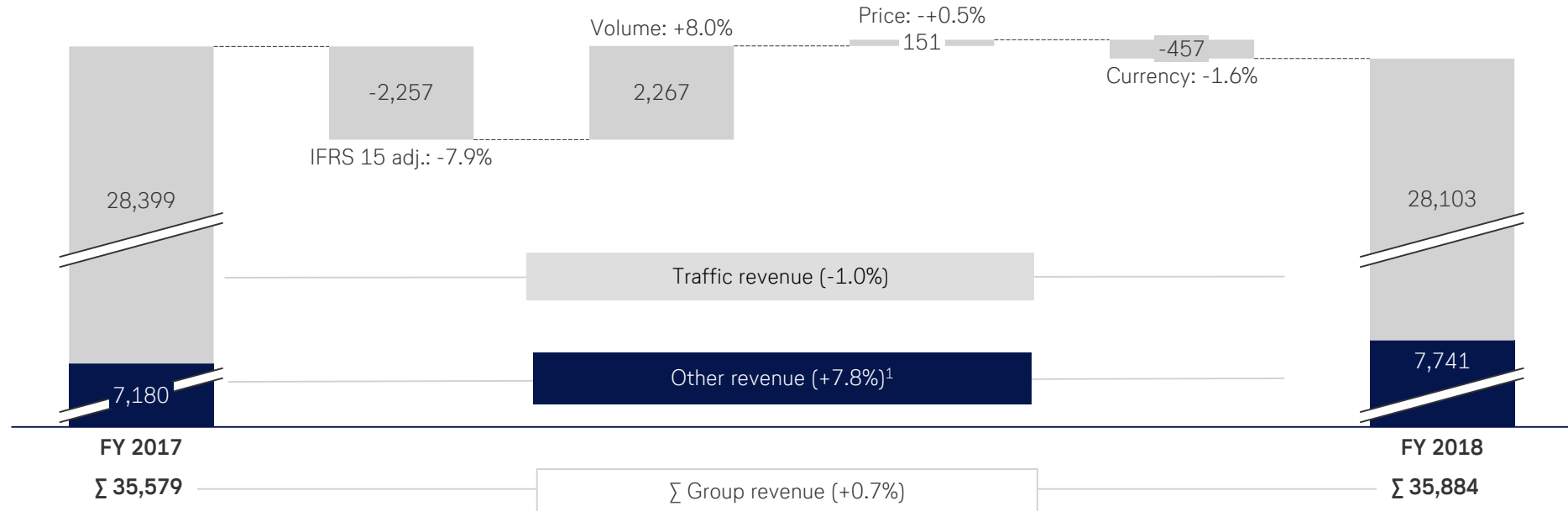


Impact on Group Adjusted EBIT expected to be non-material in 2019



# Group revenue bridge

in m EUR



<sup>1</sup> Including positive 359m EUR IFRS 15 effect from reclassification of LAT and AirPlus commissions from other operating income into other revenue

# Operating KPIs of Passenger Airlines by region

Total	Q4 '18	FY '18
Number of flights	+7.4%	+10.0%
ASK	+9.3%	+8.2%
RPK	+9.5%	+9.0%
SLF	+0.2pts.	+0.5pts.

Yield	-0.9%	-1.8%
Yield ex currency	-1.4%	-0.2%
RASK	-2.2%	-2.1%
RASK ex currency	-3.0%	-0.5%
CASK incl. fuel	-1.0%	-0.9%
CASK ex currency ex fuel	-4.9%	-1.7%

Europe	Q4 '18	FY '18
ASK	+10.9%	+11.8%
RPK	+9.7%	+13.5%
SLF	-0.8pts.	+1.1pts.
Yield	-4.6%	-3.7%
Yield ex currency	-4.9%	-2.7%

Americas	Q4 '18	FY '18
ASK	+9.4%	+7.3%
RPK	+10.6%	+7.9%
SLF	+0.9pts.	+0.4%
Yield	-0.1%	-2.1%
<b>Yield ex currency</b>	<b>-1.0%</b>	<b>+0.2%</b>

North America	+3.5%	+1.9%
South America	-14.8%	-5.4%

Asia / Pacific	Q4 '18	FY '18
ASK	+5.9%	+4.5%
RPK	+7.1%	+4.4%
SLF	+1.0pts.	-0.1pts.
Yield	+4.9%	-0.2%
Yield ex currency	+4.7%	+1.9%

Middle East / Africa	Q4 '18	FY '18
ASK	+10.0%	+6.5%
RPK	+10.3%	+7.4%
SLF	+0.3pts.	+0.6pts.
Yield	+6.2%	-2.4%
Yield ex currency	+5.0%	-0.6%

# 2018 regional yield<sup>1</sup> development by quarter

	Q1	Q2	Q3	Q4		H1	9M	FY
Europe	+0.1%	-1.6%	-3.9%	-4.9%		-0.9%	-2.0%	-2.7%
Americas	-1.6%	+3.0%	-0.2%	-0.1%		+1.0%	+0.5%	+0.2%
Thereof North America	-0.8%	+3.9%	+0.7%	+3.5%		+1.9%	+1.5%	+1.9%
Thereof South America	-0.7%	-0.2%	-3.9%	-14.8%		-0.6%	-1.8%	-5.4%
Asia Pacific	-0.3%	+0.1%	+2.7%	+4.7%		-0.1%	+1.0%	+1.9%
Middle East & Africa	-6.0%	-3.8%	+2.4%	+5.0%		-5.0%	-2.2%	-0.6%
<b>Total</b>	<b>+0.5%</b>	<b>+1.1%</b>	<b>-0.6%</b>	<b>-1.4%</b>		<b>+0.7%</b>	<b>+0.2%</b>	<b>-0.2%</b>

<sup>1</sup> Constant currency

## Exemplary calculation of operational airline KPIs

Quarterly Data.xls <sup>1</sup>[illegible]

## Network Airlines, FY 2018

Yield

(1) Traffic revenues	20,877
----------------------	--------

(2) RPK <sup>2</sup>	231,952
----------------------	---------

**Yield:**  $(1) / (2) * 100$  9.0

## RISK

(1) Total revenues	22,719
--------------------	--------

(2) Other Op. Income	699
----------------------	-----

(3) Reversal of provisions 94

(4) FX losses	-316
---------------	------

= (5) Basis for RASK (1)+(2)-(3)+(4) 23.008

(6) ASK <sup>3</sup>	284,741
----------------------	---------

**RASK:**  $(5) / (6) * 100$  **8.1**

CASK

(1) Operating expenses	-21,024
------------------------	---------

(2) Reversal of provisions 94

(3) FX losses	-316
---------------	------

= (4) Basis for CASK **(1) + (2) - (3)**      -20,614

(5) ASK <sup>3</sup>	284,741
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**CASK:**  $-(4) / (5) * 100$  7.2

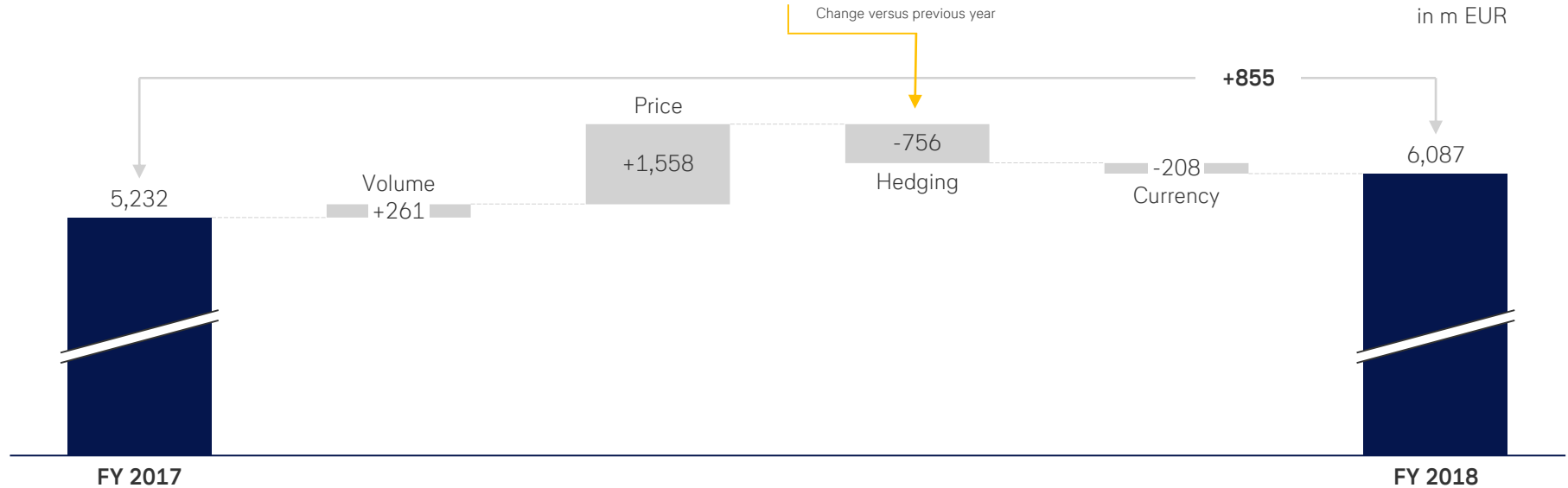
## Traffic Figures <sup>1</sup>

[illegible]

# Fuel cost bridge

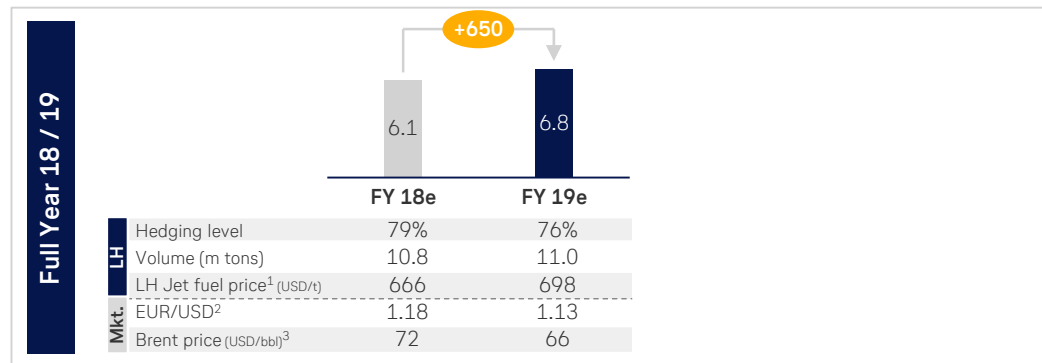
## Hedging result by quarter (in m EUR)

	Q1	Q2	Q3	Q4	FY (YTD)
2017	-30	-63	-30	56	-67
2018	107	229	245	108	689

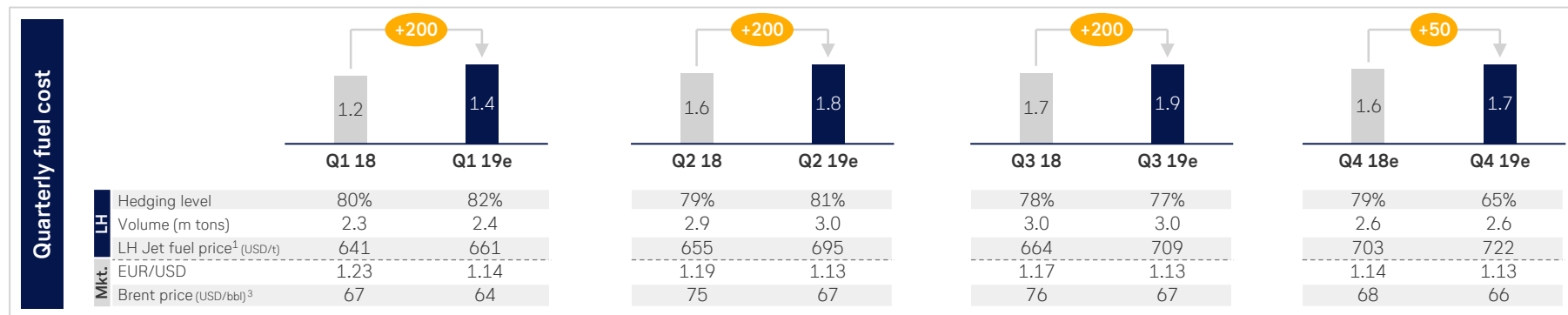
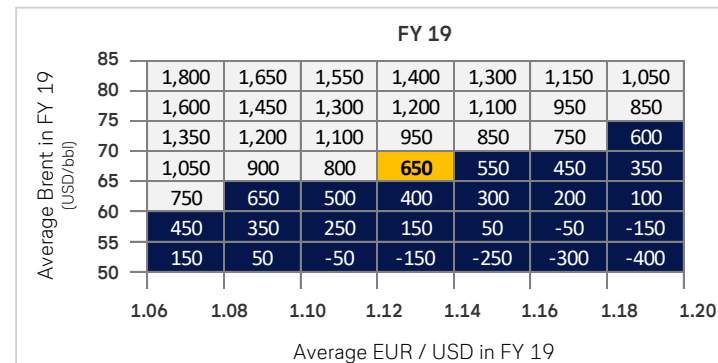


# Fuel cost outlook 2019

## Fuel cost



## Sensitivity to Brent and currency



As of 22 February 2018: Brent: 67 USD/bbl, EUR/USD: 1.13

1 Blend of hedged and unhedged price for total annual volume, including into-plane charge, based on current crack spread; 2 average of actual/forward rates; 3 average of actual/forward Brent price

# Fuel and foreign exchange hedging strategy

## Hedging Strategy

### Aim of hedging strategy

- Lufthansa's hedging strategy is designed to reduce volatility
- No intention to outperform the market
- Rolling approach up to 24 months going forward

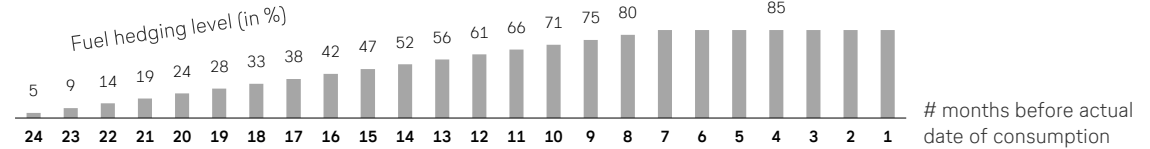
### Fuel Hedging

- Hedging level is increased month-by-month until up to 85% is hedged
- Mostly options, not fixed contracts, to still benefit from falling oil prices

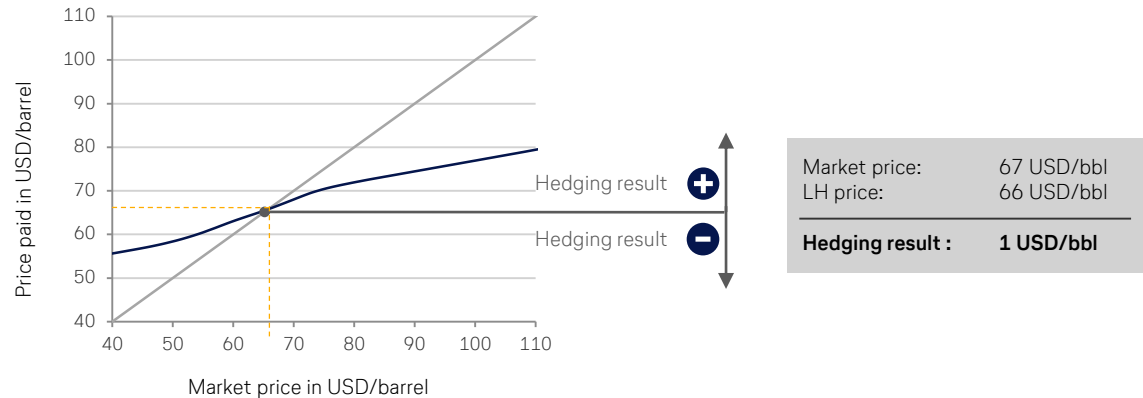
### FX Hedging

- Hedging of net FX exposure per currency, level is increased every two or six months until 80% for next 24 months is hedged
- Use of forward contracts

## Fuel Hedging Approach



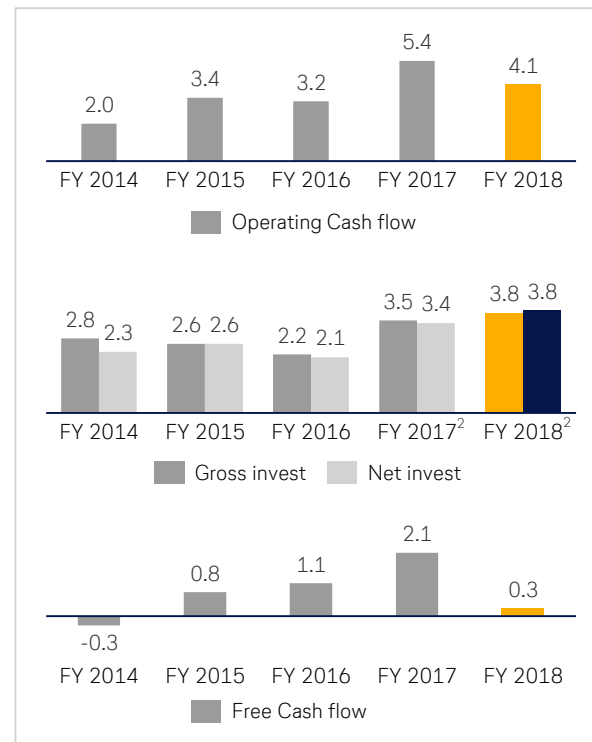
## Fuel price curve reminder of 2019



# Cash flow statement

Lufthansa Group (in m EUR)	FY '18	vs. FY '17
<b>EBT</b> (earnings before income taxes)	<b>2,784</b>	<b>-374</b>
Depreciation & amortization (incl. non-current assets)	2,201	-138
Net proceeds from disposal of non-current assets	-34	+3
Result of equity investments	-174	-17
Net interest	144	-51
Income tax payments/reimbursements	-670	-285
Significant non-cash-relevant expenses / income	-276	+429
Change in trade working capital	410	+151
Change in other assets / liabilities	-276	-977
<b>Operating cash flow</b>	<b>4,109</b>	<b>-1,259</b>
Capital expenditure (net)	-3,859	-608
<b>Free cash flow</b>	<b>250</b>	<b>-1,867</b>
Cash and cash equivalents as of 31.12.18 <sup>1</sup>	1,434	+216
Current securities	1,735	-816
Total Group liquidity	3,169	-600

<sup>1</sup> Excluding fixed-term deposits with terms from three to twelve months (2018: 66m EUR, 2017: 179m EUR); <sup>2</sup> Excl. cash-outs from equity investments  
2018 reported figures including effects from the capitalization of engine overhaul, 2017 restated for better comparability





# Multi-Year financial overview

Lufthansa Group (in m EUR, as reported)	2014	2015	2016	2017	2018
<b>Operating KPIs</b>					
RASK ex currency	-2.5%	-3.0%	-5.9%	+1.9%	-0.5%
CASK ex currency, ex fuel	-2.6%	+2.4%	-6.1%	-0.4%	-1.7%
<b>Profit &amp; Loss</b>					
Revenues	30,011	32,056	31,660	35,579	35,844
Fuel Cost	6,751	5,784	4,885	5,232	6,087
Adjusted EBIT	1,171	1,817	1,752	2,969	2,836
Adjusted EBIT Margin	3.9%	5.7%	5.5%	8.3%	7.9%
<b>Balance Sheet</b>					
Total Assets	30,474	32,462	34,697	35,778	38,213
Net Financial Debt and Pension Liabilities	10,649	9,973	11,065	8,000	9,354
ROCE	4.6%	7.7%	9.0%	13.2%	11.1%
<b>Cash Flow statement</b>					
Operating Cash Flow	1,977	3,393	3,246	5,368	4,109
Capital expenditure (net)	2,274	2,559	2,108	3,251	3,859
Free Cash Flow	-297	834	1,138	2,117	250

2018 reported figures including effects from the capitalization of engine overhaul, 2017 restated for better comparability