



LUFTHANSA GROUP



# Q3 2019

## Analyst and Investor Conference Call

Frankfurt, 7 November 2019

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# Q3 2019

## Analyst and Investor Conference Call

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

Frankfurt, 7 November 2019

# Lufthansa Group achieves an Adjusted EBIT of EUR 1.3 billion in Q3

Q3 result slightly  
below previous year

**EUR 1.3bn**

Adj. EBIT (-8%)



Q3 revenues increased  
to more than EUR 10bn

**EUR 10.2bn**

(+2%)



Passenger growth  
**+3%**

2019 guidance  
confirmed

**5.5%-6.5%**

Adj. EBIT margin

Unit costs  
reduced

**-2.1%**

Q3 CASK Network Airlines





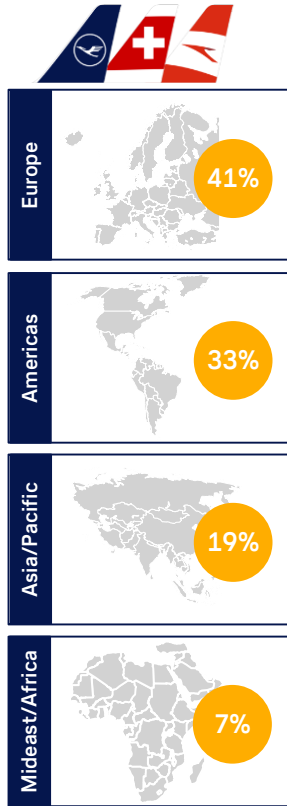
# Q3 2019

## Analyst and Investor Conference Call

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

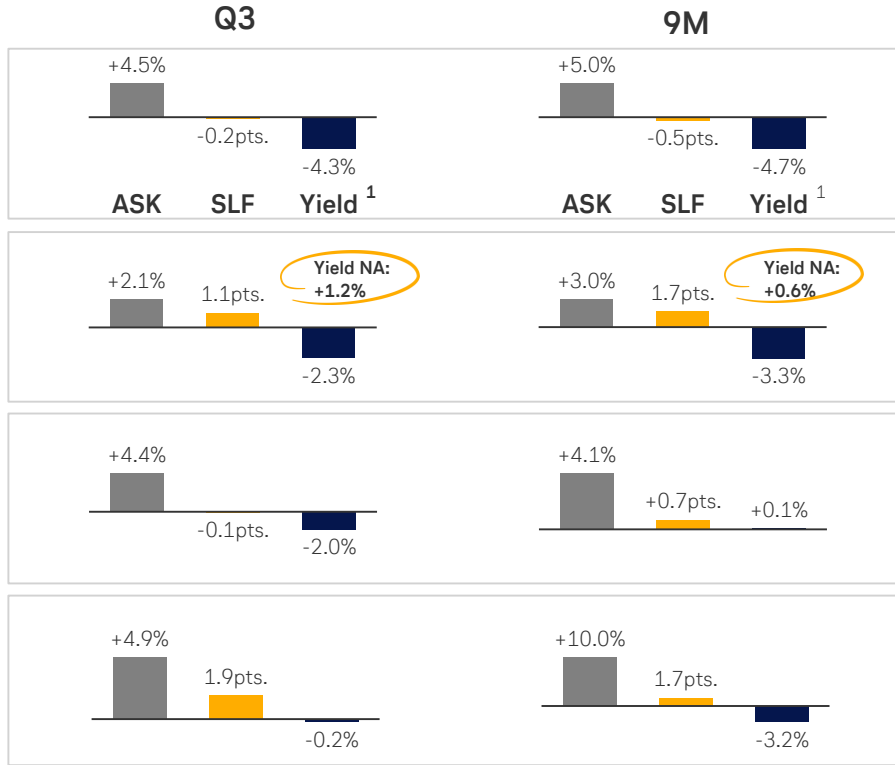
Frankfurt, 7 November 2019

# Network Airlines: Transatlantic performance continues to be strong



<sup>1</sup> Excl. currency

● % of Traffic Revenues as of 9M 19



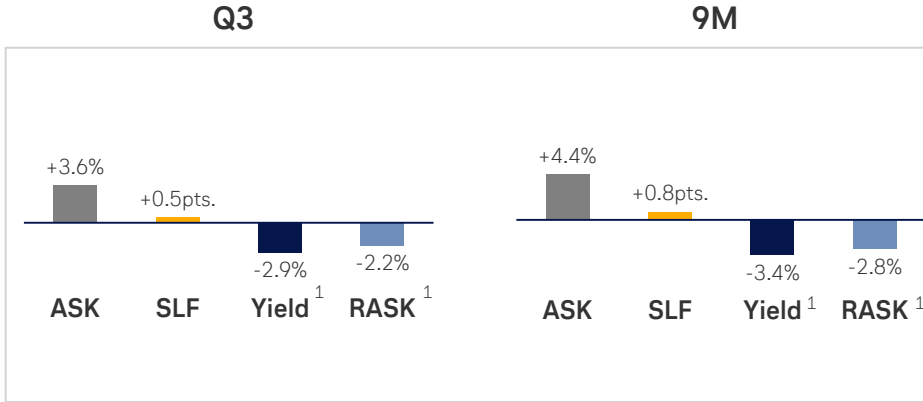
## Comments

- Yields in Europe remain under pressure from price-sensitive demand
- North America performs strongly, Brazil continues to burden South American business
- Performance in Asia weakens in third quarter predominantly because of lower demand on China and Hong Kong routes
- Solid performance in the Middle-East and Africa

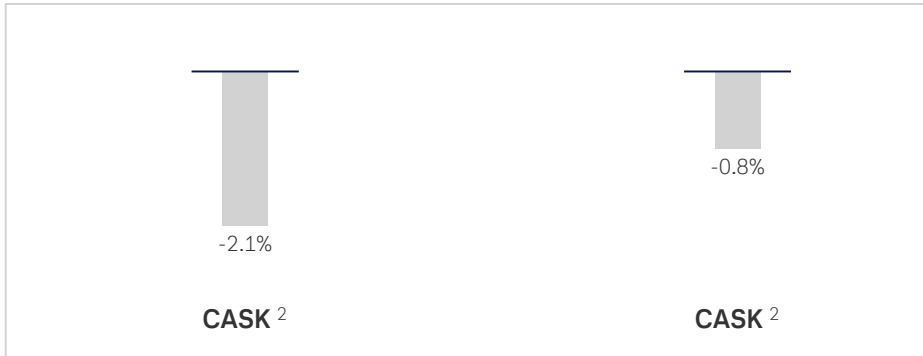
# Network Airlines: Step up of unit cost reductions in the third quarter



## Revenue KPIs



## Cost KPIs



<sup>1</sup> Excl. currency <sup>2</sup> Excl. currency, excl. fuel

## Comments

- Strength in long haul partly offsets unit revenue weakness in short haul
- Easing MRO cost pressures, lower irregularity costs and productivity improvements support CASK reduction in the third quarter



# Network Airlines: Q3 profits down only moderately despite higher fuel costs



## Fuel cost

Q3

9M

+174 / +13%

1,315

1,489

Q3 18

Q3 19

+552 / +16%

3,477

4,029

9M 18

9M 19

## Adjusted EBIT / Margin

-6%

1,086

1,024

Q3 18

Q3 19

15.5%  
-1.4pts.

-23%

2,075

1,589

9M 18

9M 19

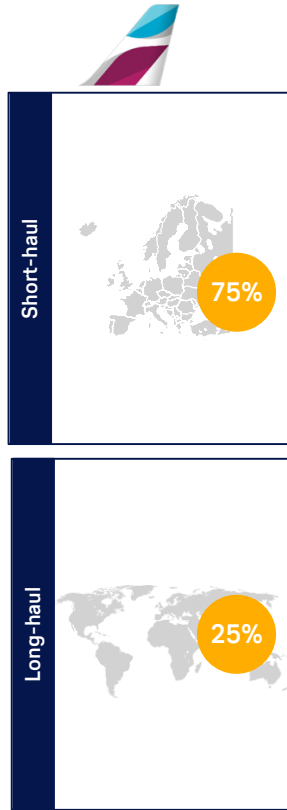
9.0%  
-3.1pts.

## Comments

- Fuel cost increase higher than anticipated because of the recent appreciation of the US Dollar
- Strong cost performance largely offsets pressure from higher fuel costs and overall difficult market environment in Q3

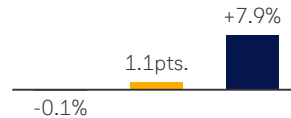
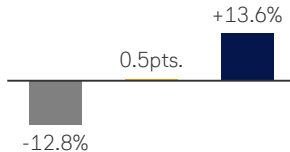
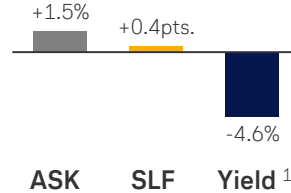
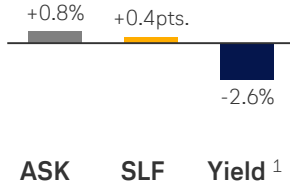


# Eurowings: Slight yield declines in short-haul - long-haul up strongly



Q3

9M



## Comments

- Sequential yield improvement in short-haul (Q1: -8.5%, Q2: -4.3%) despite ongoing challenges in domestic business
- Long-haul performance benefits from capacity cuts, operational improvements and shift of two aircraft to the Network Airlines organization

<sup>1</sup> Excl. currency

● % of Traffic Revenues as of 9M 19

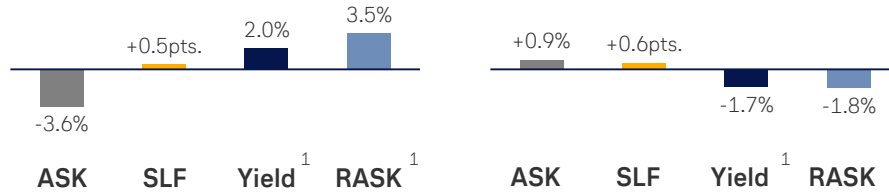
# Eurowings: RASK and CASK performance distorted by structural changes



## Revenue KPIs

Q3

9M



## Cost KPIs

-0.1%

CASK<sup>2</sup>



CASK<sup>2</sup>

## Comments

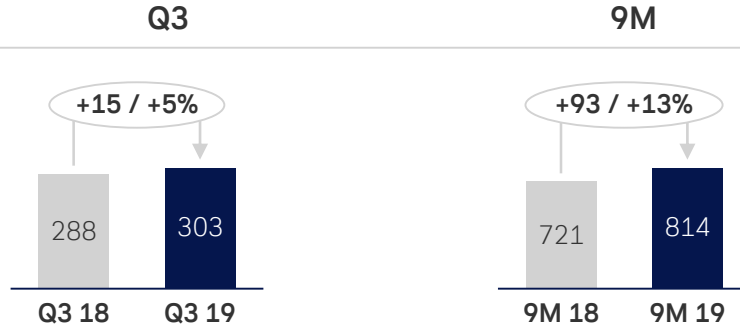
- Segment RASK increases in the third quarter because of operational improvements in long-haul, positive mix effect from long-haul capacity declines and ancillary revenue growth
- Short-haul RASK down at a low single-digit rate in Q3
- Short-haul CASK down at a mid-single-digit rate in Q3

<sup>1</sup> Excl. currency <sup>2</sup> Excl. currency, excl. fuel

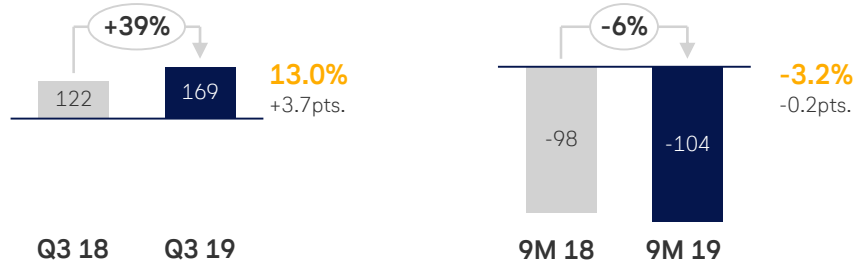
# Eurowings: Profit growth reflects first signs of Eurowings turnaround



## Fuel cost



## Adjusted EBIT / Margin



## Comments

- Fuel cost increase dampened by capacity declines
- Strong profit increase in Q3 limits year-to-date decline

# MRO and Catering businesses increase profits in the third quarter

## Adjusted EBIT / Margin



## Comments

- Logistics business continues to suffer from decline of air cargo market
- Profit increases in MRO business driven by engine and aircraft systems divisions
- Year-to-date profit of Catering business almost in line with prior year despite ongoing restructuring in European market
- Higher IT investments reduce operating result of Other Businesses

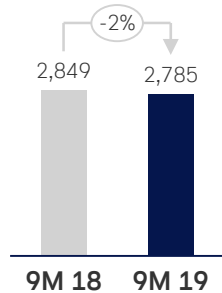
# Net profit performance distorted by several one-off items

Lufthansa Group (in EUR m)	9M '19	vs. 9M '18	
Total operating income	29,448	+3%	
Operating expenses	27,986	+7%	
Of which fees & charges	3,431	+2%	
Of which fuel	5,095	+14%	
Of which staff	6,735	+3%	
Of which depreciation	2,067	+27%	
Result from equity investments	175	+32%	
<b>EBIT</b>	<b>1,637</b>	<b>-33%</b>	
Adjustments	78	+7,700%	①
<b>Adjusted EBIT</b>	<b>1,715</b>	<b>-30%</b>	
<b>Adjusted EBIT Margin</b>	<b>6.2%</b>	<b>-2.9pts.</b>	
Net interest income	-264	-120%	③
Other financial items	260	+940%	②
<b>EBT</b>	<b>1,633</b>	<b>-31%</b>	
Income taxes	572	+11%	③
Profit / loss attributable to minority interests	-23	-8%	
<b>Net income</b>	<b>1,038</b>	<b>-43%</b>	

- ① Impairments related to Thomas Cook insolvency
- ② Reclassification of hedges because of the change of fixed aircraft orders into options (EUR 413m)
- ③ Provision for tax risk (c. EUR 350m)

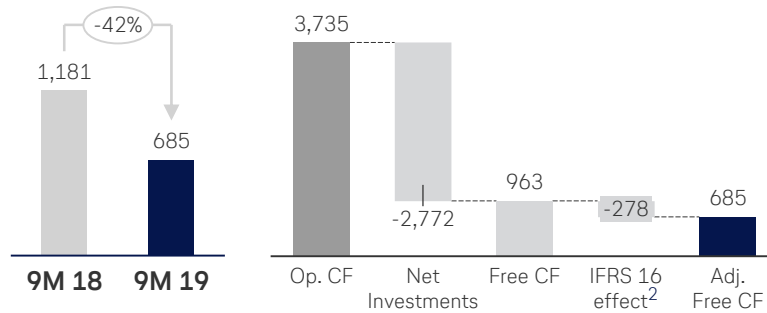
# Net debt increase largely driven by accounting effects

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



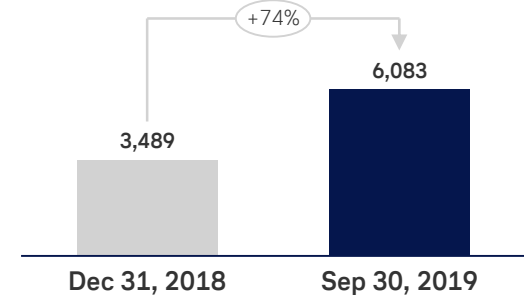
- Decrease due to less aircraft purchases

## Adjusted Free Cash Flow



- Free cash flow declines mainly because of profit decrease and higher tax payments

## Net Debt



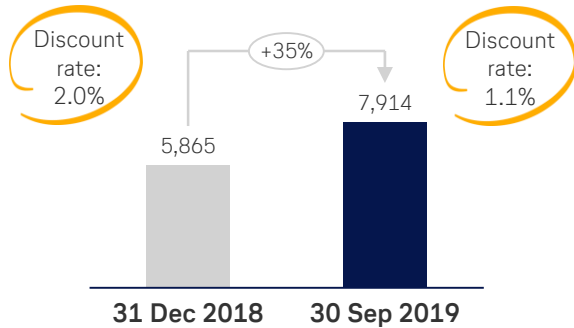
- Increase largely because of first-time application of IFRS 16
- Adjusted Net Debt / Adjusted EBITDA increases by 1.2 to 3.0

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

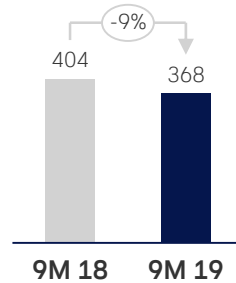
<sup>2</sup> Amortization of operating lease obligations shown in financing cash flow

# Increase of pension provisions has no impact on profits and cash flow

## Balance Sheet: Pension Provisions



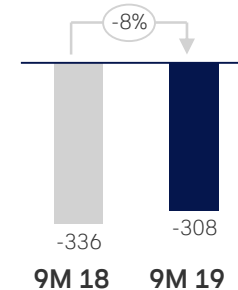
## Profit & Loss: Service Costs



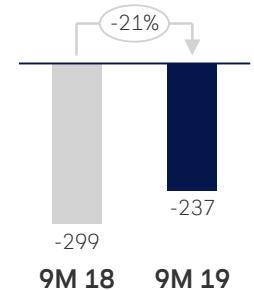
- Increase driven by interest rate decline, partly offset by strong performance of plan assets
- Every 50bp interest rate decline increases the gross pension obligation by c. EUR 2 billion

## Cash Flow:

Pension payments  
(operating cash flow)



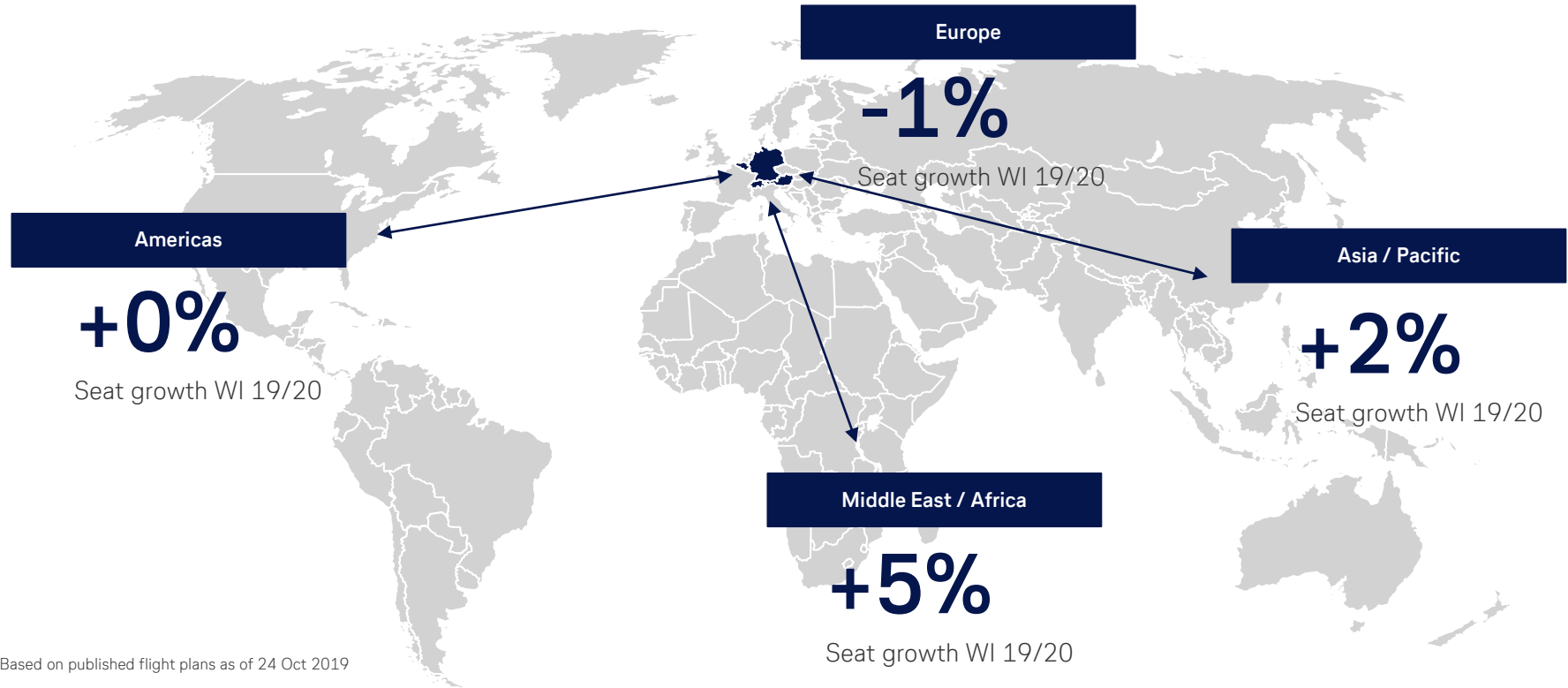
Contribution to plan assets  
(change in funds / securities)



- Pension-related cash outflows below prior year level
- Pension deficit does not create any additional funding requirements



# Market capacity growth in Europe set to turn negative in winter



Based on published flight plans as of 24 Oct 2019

Definition of relevant Market:

Short Haul: DACHB to all of Europe

Long-Haul: European countries west of eastern border of the European Union + Turkey to respective regions

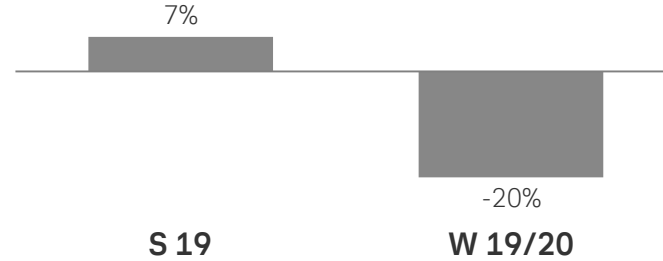
# LCCs start to reduce their capacities in all Group hubs except Vienna

Offered LCC capacity (ASK) in Lufthansa Group hubs vs. prior year

FRA



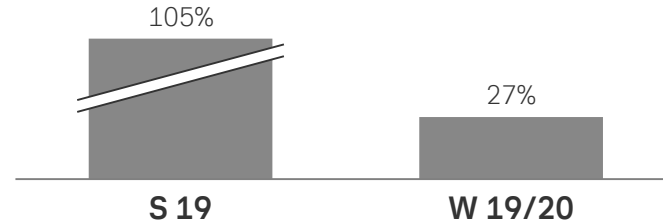
MUC



ZRH



VIE



# Group financial outlook confirmed

Passenger Airlines		
	Network Airlines	Eurowings
<b>Capacity</b> (ASK)	c. +4%	c. -1%
<b>Unit Revenue</b> (RASK, at constant currency)	Down low single-digit	Down low single-digit
<b>Unit Cost</b> (CASK, at c. currency, excl. fuel)	0% to -1%	-4% to -5%
<b>Fuel</b> (year-on-year change)	+EUR 600m	+EUR 100m
<b>Adjusted EBIT Margin</b>	7.0% to 9.0%	-4.0% to -6.0%

Non-PAX				
	Logistics	MRO	Catering	Others
<b>Revenue</b>	down mid single-digit	up low double-digit	up low single-digit	
<b>Adjusted EBIT margin</b>	0% to 2%	7% to 8%	2% to 4%	
<b>Adjusted EBIT</b> (year-on-year change)				-EUR 50m

Lufthansa Group	
<b>Revenue</b>	up low single-digit
<b>Adj. EBIT margin</b>	5.5% to 6.5%



# Q3 2019

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Frankfurt, 7 November 2019

# Modernization of Lufthansa Group continues for all stakeholder groups



**Profit Improvement**

Eurowings  
Austrian Airlines  
Brussels Airlines

**Shareholders**

**#1**



**Customer Focus**

**Customers**

**Employees**



**Further Development**

New digital solutions in 2020

Comprehensive sustainability initiatives

New on board product in 2021

Expansion of touristic expertise

New perspectives for business units

# Eurowings Turnaround shows first signs of success



## Status



## Targets



## Next Steps

### Realigning long-haul



- Commercial responsibility for 7 aircraft transferred to Network Airlines
- Four aircraft in Düsseldorf to follow

### Adjusting network



- Focus on core markets
- Implementing new base concept

### Increasing productivity



- Fleet: +6% vs. previous year
- Crew: +6% vs. previous year

**1) Break-Even in 2021**

**2) CASK -15% until 2022**

**3) Long-term  
Adj. EBIT margin > 7%**

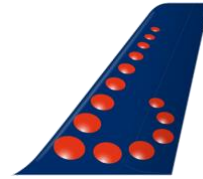
- Further capacity adjustments in 2020
- Reduction of operational complexity
- Reduction of overhead cost
- Expansion of ancillary revenues and digital services

# Austrian und Brussels with key measures to improve profits



**Target: further 90m EUR cost reduction p. a. as of 2021**

- 1 Process efficiency and organization (EUR 60m)**
  - Strengthening digitalization and centralization
  - Reducing labor costs, adjusting manager-to-staff ratio
- 2 Optimizing productivity (EUR 30m)**
  - Increase of productivity on ground and maintenance
  - Network adjustments & optimized crew planning
- 3 Existing measures #DriveTo25, e.g.:**
  - Phase-out of all 18 DH4 and roll-over to A320 until 2021
  - Take-over of commercial steering for 4 Eurowings A320



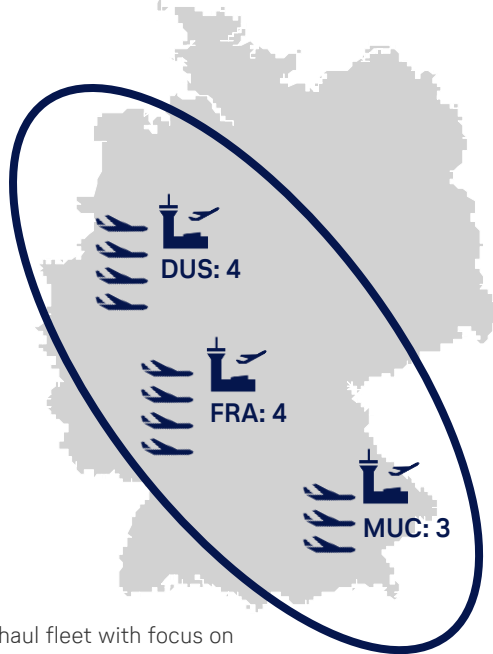
**Target: Operating margin of 8% by 2022**

- 1 Network and commercial embedding**
  - Refocused network
  - Commercial embedding with Network Airlines
- 2 Functional unit cost reduction**
  - Cost optimization in maintenance and operations
  - Contract renegotiating program
- 3 Overhead cost optimization**
  - Zero-based review of all material costs
  - Simplified and digitalized processes



# Further development of touristic long-haul business

**Operationally and commercially managed out of one hand**



## **Pooling of touristic long-haul offer**

- First flights out of FRA and MUC successfully started
- Merging of current fragmented operative units into one AOC until 2022
- Target: high flexibility and competitiveness



## **Enhancing touristic competencies in IT and sales**

- Strengthening of sales processes based on best-practice model "Edelweiss"
- Active participation in a growing segment



## **Establishing a new product line**

- Clear differentiated positioning within Lufthansa Group

# Product improvements and innovations in the coming years

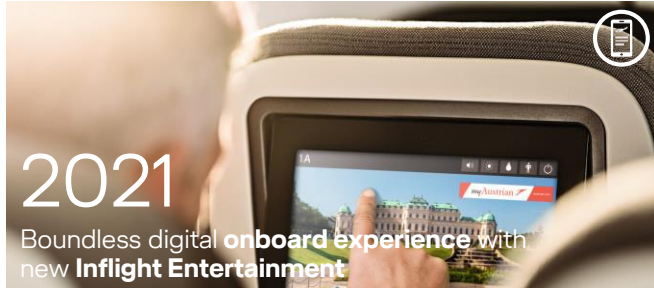
## 2020

**Individual** customer service and efficient **digital solutions** along all touch points



## 2021

Boundless digital **onboard experience** with new **Inflight Entertainment**



## 2020

**Contact- and paperless** from baggage claim to boarding by **biometrics**



## 2021

Launch of new **future long-haul experience** with **B777-9**



## 7,000 m<sup>2</sup>

further **lounge space** and **comfort** worldwide until **2023**



# Modernization and further development of Lufthansa Cargo und LSG

## **Lufthansa Cargo**



### **Fleet**

- Accelerated Roll-over: Phase-out of all MD11 until end of 2020; homogenous, smaller and more modern fleet of 9 Boeing 777F



### **Infrastructure**

- Modernization of the ground infrastructure (Lufthansa Cargo Center) in FRA



### **Digitalization**

- Increased automation of sales and production

## **LSG**group



### **First phase of sale process: LSG Europe**

- LSG Europe sale process runs according to plan
- Target: Signing by end of 2019
- Subject to review / approval by EU authorities

# Lufthansa Group: #1 for all stakeholders



# Lufthansa Group with comprehensive sustainability initiatives



## Fleet

- Continuous investments in modern fleet
- 25% CO<sub>2</sub> reduction per new aircraft generation



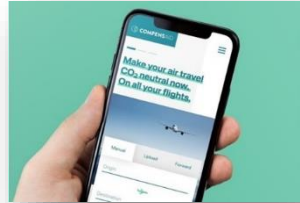
## CO<sub>2</sub> Reduction

- Eco-power on ground in 2020
- CO<sub>2</sub>-neutral ground traffic until 2030 in DACH



## Alternative Fuel

- Cooperation with industry and academic research
- Usage of Sustainable Aviation Fuel



## CO<sub>2</sub> Compensation

- „Corporate Value Fare“: carbon neutral corporate travel in Europe
- „Compensaid“ as a tool for CO<sub>2</sub> compensation incl. SAF



## Reduction of Plastic

- Reduction/replacement 50% of disposable plastic until 2021



## Employee Initiatives

- Fly Greener, #DoingMyBit
- Corporate Volunteering

# **Appendix**

- supplementary information -

# Financial guidance FY 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%



# Group P&L

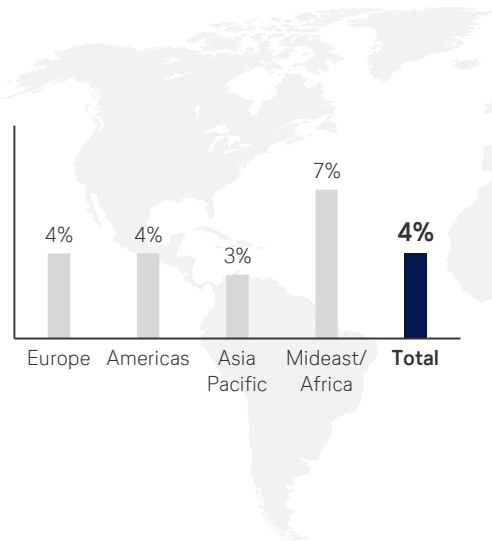
Lufthansa Group (in m EUR)	Q3 '19	vs. Q3 '18
Total revenue	10,177	+2%
Other operating income	634	+19%
Total operating income	10,811	+3%
Operating expenses	9,678	+5%
Non-fuel operating expenses	7,808	+4%
Cost of materials and services	5,337	+5%
Fuel expenses	1,870	+10%
Fees and charges	1,212	+0%
Staff costs	2,215	+1%
Depreciation	738	+32%
Other operating expenses	1,388	+3%
Result from equity investments	87	-3%
<b>EBIT</b>	<b>1,220</b>	<b>-13%</b>
Adjustments	77	nmf.
<b>Adjusted EBIT</b>	<b>1,297</b>	<b>-8%</b>
<b>Adjusted EBIT Margin</b>	<b>12.7%</b>	<b>-1.4pts.</b>

9M '19	vs. 9M '18
27,700	+3%
1,748	+8%
29,448	+3%
27,986	+7%
22,891	+5%
15,075	+9%
5,095	+14%
3,431	+2%
6,735	+3%
2,067	+27%
4,109	-2%
175	+32%
<b>1,637</b>	<b>-33%</b>
78	nmf.
<b>1,715</b>	<b>-31%</b>
<b>6.2%</b>	<b>-2.9pts.</b>

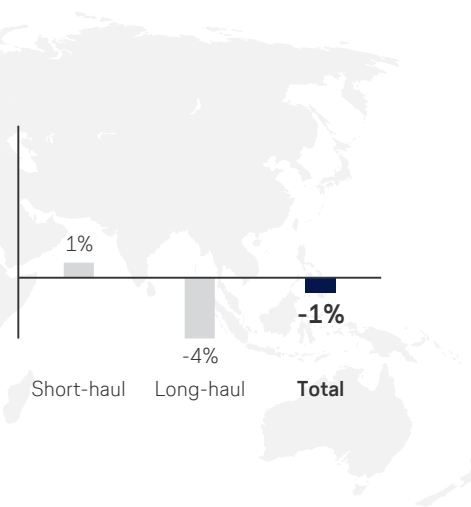
nmf. = not meaningful

# Planned capacity growth for full year 2019

## Network Airlines



## Eurowings



Status: October 2019; All capacity plans indicative and subject to change

# 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

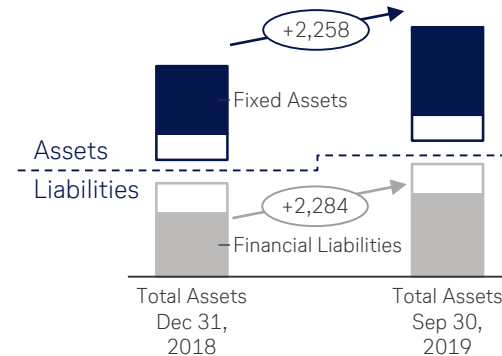
## Effect on Lufthansa Group

### Effect on Profit & Loss:

<b>EBITDA</b>	<b>+315</b>
./. Depreciation	-294
<b>EBIT</b>	<b>+21</b>
./. Interests costs and FX valuation	-55
<b>EBT</b>	<b>-34</b>

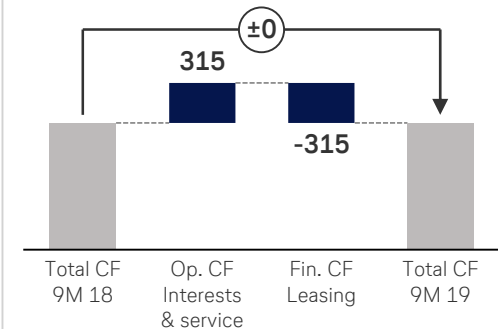
Adjusted EBIT Margin: + 0.1pts

### Effect on Balance Sheet:



Equity Ratio: -1.2pts // Leverage: +0.4x

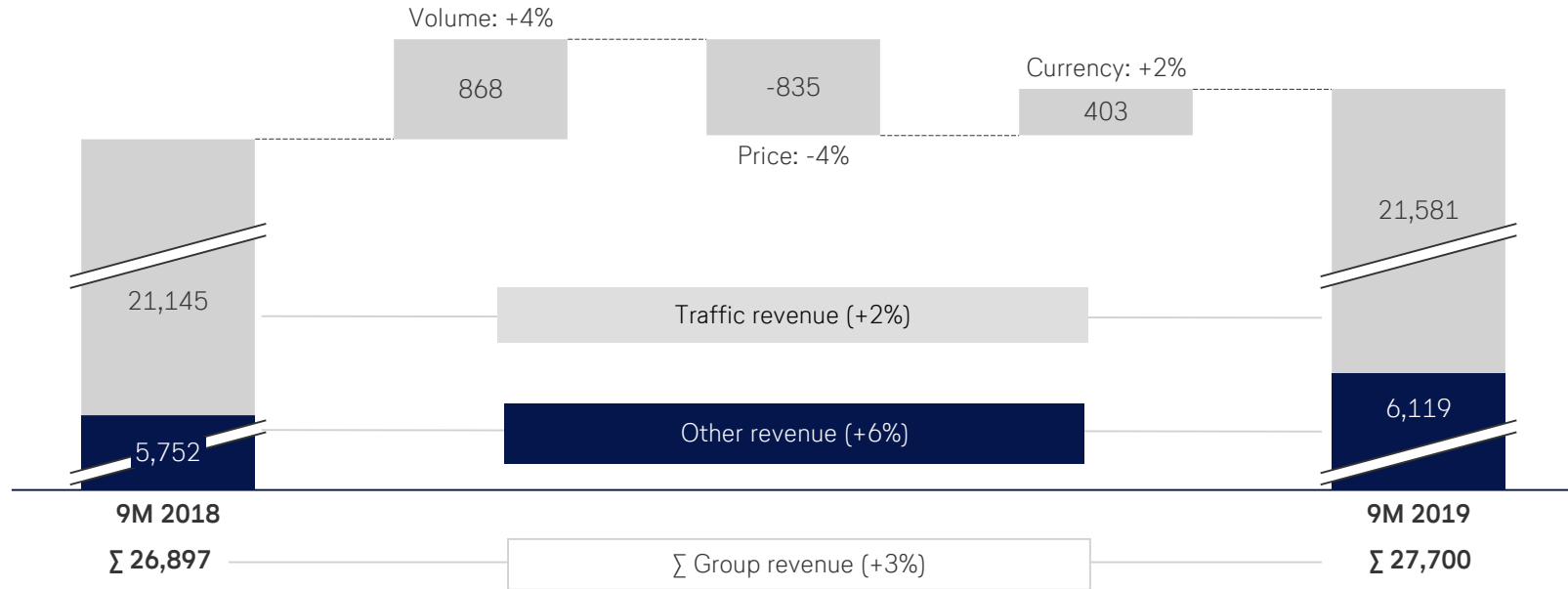
### Effect on Cash Flow:



Impact on Group Adjusted EBIT expected to amount to ca. +25m EUR in full year 2019

# Group revenue bridge

in m EUR



# Operating KPIs of Network Airlines by region

Total	Q3 '19	9M '19
Number of flights	+2.3%	+3.1%
ASK	+3.6%	+4.4%
RPK	+4.2%	+5.4%
SLF	+0.5pts.	+0.8pts.

Yield	-0.7%	-1.3%
Yield ex currency	-2.9%	-3.4%
RASK	-0.1%	-0.6%
RASK ex currency	-2.2%	-2.8%
CASK excl. fuel	-0.9%	+0.7%
CASK ex currency ex fuel	-2.1%	-0.8%

Europe	Q3 '19	9M '19
ASK	+4.5%	+5.0%
RPK	+4.4%	+4.3%
SLF	-0.2pts.	-0.5pts.
Yield	-2.9%	-3.5%
Yield ex currency	-4.3%	-4.7%

Americas	Q3 '19	9M '19
ASK	+2.1%	+3.0%
RPK	+3.4%	+5.0%
SLF	+1.1pts.	+1.7pts.
Yield	+0.9%	-0.1%
Yield ex currency	-2.3%	-3.3%

North America	+1.2%	+0.6%
South America	-18.3%	-19.2%

Asia / Pacific	Q3 '19	9M '19
ASK	+4.4%	+4.1%
RPK	+4.3%	+4.9%
SLF	-0.1pts.	+0.7pts.
Yield	+0.4%	+2.2%
Yield ex currency	-2.0%	+0.1%

Middle East / Africa	Q3 '19	9M '19
ASK	+4.9%	+10.0%
RPK	+7.3%	+12.3%
SLF	+1.9pts.	+1.7pts.
Yield	+1.9%	-0.8%
Yield ex currency	-0.2%	-3.2%

# Operating KPIs of Eurowings by region

Total	Q3 '19	9M '19
Number of flights	+0.1%	+0.4%
ASK	-3.6%	+0.9%
RPK	-3.1%	+1.7%
SLF	+0.5pts.	+0.6pts.

Yield	+2.4%	-1.3%
Yield ex currency	+2.0%	-1.7%
RASK	+5.6%	+0.3%
RASK ex currency	+3.5%	-1.8%
CASK excl. fuel	+1.0%	-2.3%
CASK ex currency ex fuel	-0.1%	-3.8%

Short-haul	Q3 '19	9M '19
ASK	+0.8%	+1.5%
RPK	+1.3%	+2.0%
SLF	+0.4pts.	+0.4pts.
Yield	-2.2%	-4.1%
Yield ex currency	-2.6%	-4.6%

Long-haul	Q3 '19	9M '19
ASK	-12.8%	-0.1%
RPK	-12.3%	+1.2%
SLF	+0.5pts.	+1.1pts.
Yield	+14.0%	+8.4%
Yield ex currency	+13.6%	+7.9%

# 2019 regional yield<sup>1</sup> development by quarter

## Network Airlines

	Q1	Q2	Q3	Q4	H1	9M	FY
Europe	-6.5%	-3,8% <sup>2</sup>	-4.3%		-5,0% <sup>2</sup>	-4.7%	
Americas	-6.1%	-2,2% <sup>2</sup>	-2.3%		-3,9% <sup>2</sup>	-3.3%	
<i>Thereof North America</i>	-1.9%	+1,8% <sup>2</sup>	+1.2%		+0,2% <sup>2</sup>	+0.6%	
<i>Thereof South America</i>	-18.7%	-20,4% <sup>2</sup>	-18.3%		-19,6% <sup>2</sup>	-19.2%	
Asia Pacific	+1.9%	+1,0%	-2.0%		+1,4%	+0.1%	
Middle East & Africa	-6.0%	-3,3% <sup>2</sup>	-0.2%		-4,6% <sup>2</sup>	-3.2%	
<b>Total</b>	<b>-5.0%</b>	<b>-2.8%</b>	<b>-2.9%</b>		<b>-3.7%</b>	<b>-3.4%</b>	

## Eurowings

Short-haul	-8.5% <sup>2</sup>	-4.3% <sup>2</sup>	-2.6%		-5.9%	-4.6%	
Long-haul	+0.8% <sup>2</sup>	+10.5% <sup>2</sup>	+13.6%		+5.5% <sup>2</sup>	+7.9%	
<b>Total</b>	<b>-7.0%</b>	<b>-1.9%</b>	<b>+2.0%</b>		<b>-4.1%</b>	<b>-1.7%</b>	

<sup>1</sup> Constant currency

<sup>2</sup> Corrected



## 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
----------------------	---------

**CASK:**  $-(4) / (5) * 100$  7.2

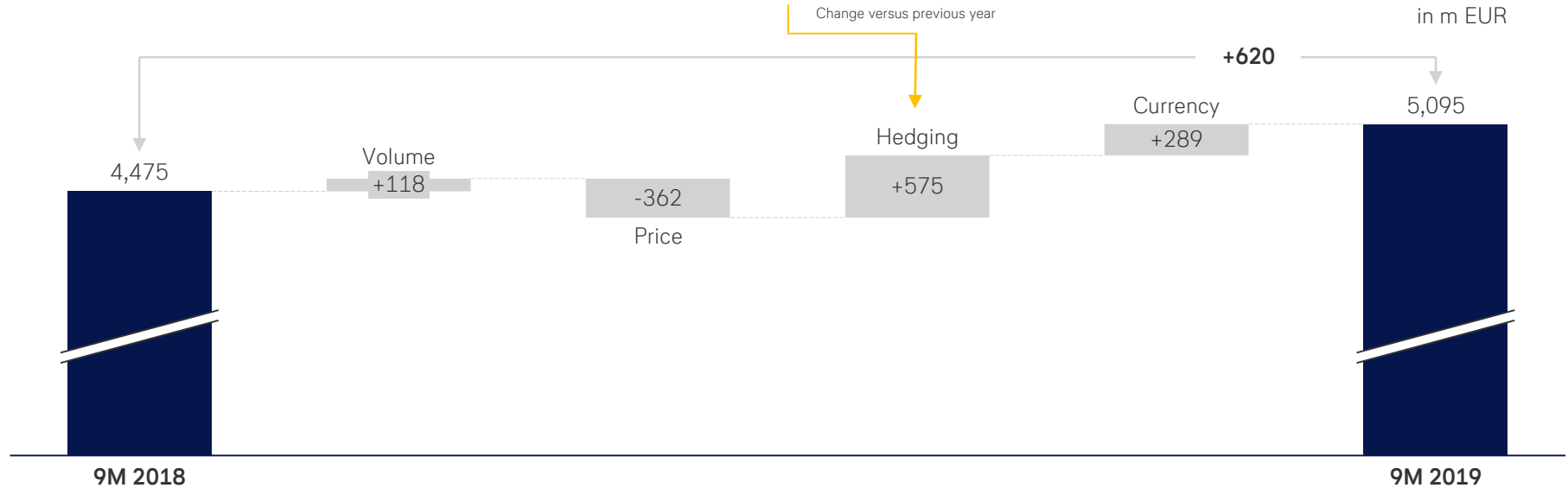
## Traffic Figures <sup>1</sup>

[illegible]

# Fuel cost bridge

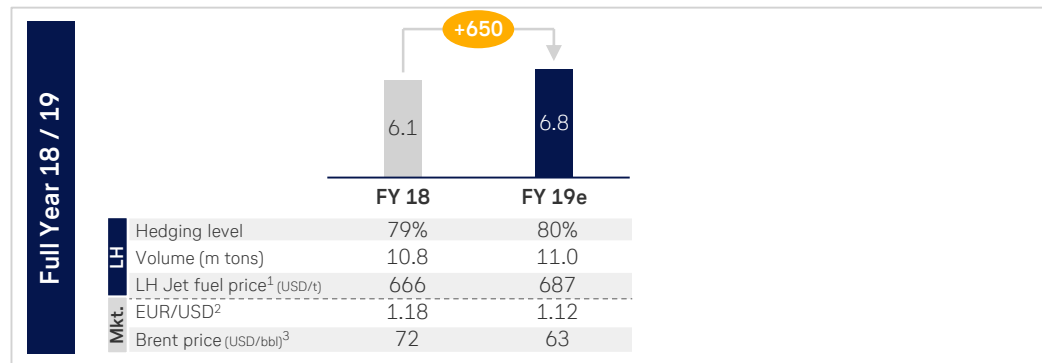
Hedging result by quarter (in m EUR)

	Q1	Q2	Q3	Q4	FY (YTD)
2018	107	229	245		581
2019	17	35	-46		6

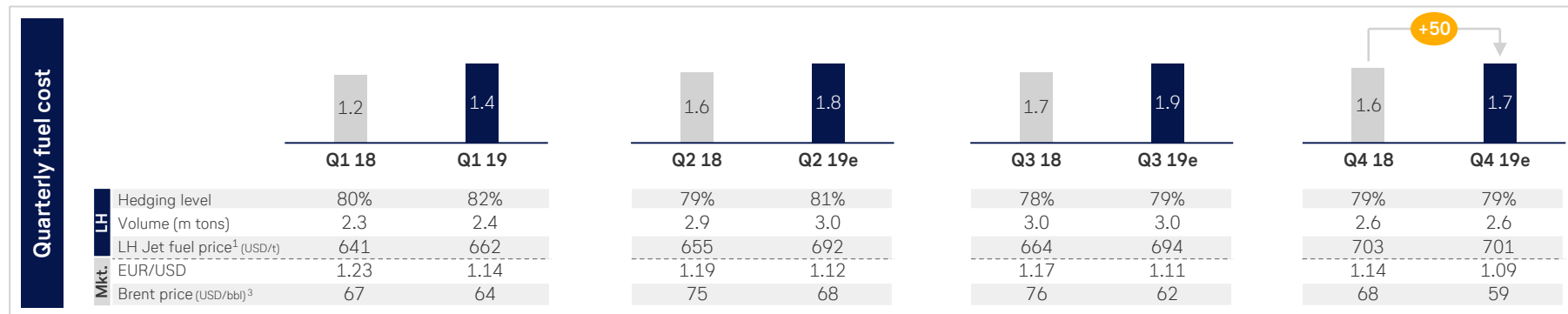
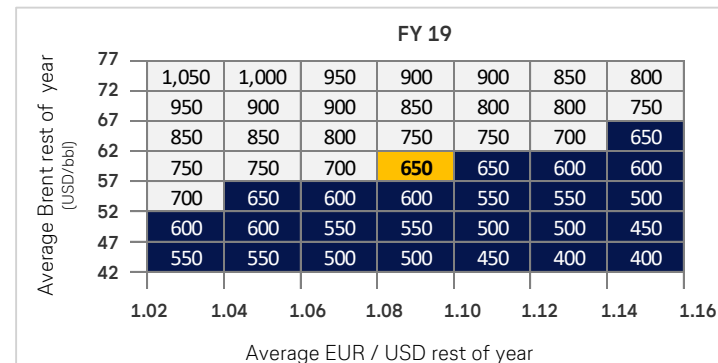


# Fuel cost outlook 2019

## Fuel cost



## Sensitivity to Brent and currency



As of 30 June 2019

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

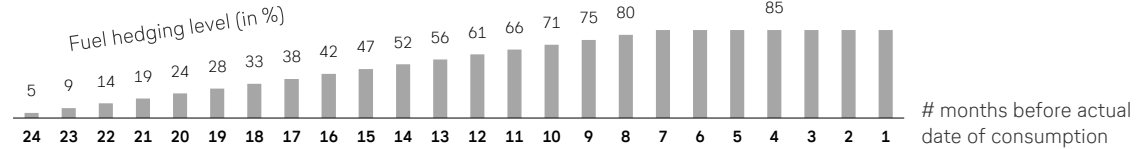
### Fuel Hedging

- 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

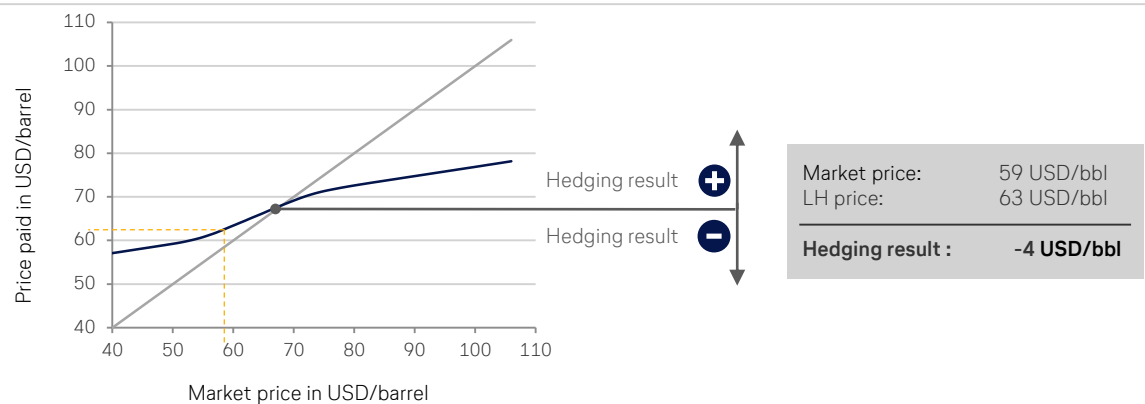
### FX Hedging

- 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 remainder of 2019



# Cash flow statement

Lufthansa Group (in m EUR)	9M '19	vs. 9M '18
<b>EBT</b> (earnings before income taxes)	<b>1,633</b>	<b>-729</b>
Depreciation & amortization (incl. non-current assets)	2,113	+469 <sup>1</sup>
Net proceeds from disposal of non-current assets	16	+17
Result of equity investments	-175	-42
Net interest	264	+144 <sup>2</sup>
Income tax payments/reimbursements	-722	-220 <sup>3</sup>
Significant non-cash-relevant expenses / income	-334	-177 <sup>4</sup>
Change in trade working capital	1,075	+128 <sup>5</sup>
Change in other assets / liabilities	-135	+21 <sup>6</sup>
<b>Operating cash flow</b>	<b>3,735</b>	<b>-389</b>
Capital expenditure (net)	-2,772	-200
<b>Free cash flow</b>	<b>963</b>	<b>-189</b>
<b>Adjusted Free cash flow</b>	<b>685</b>	<b>-496</b>
Cash and cash equivalents as of 30.09.19 <sup>1</sup> less assets held for sale	927	-334
Current securities	2,648	-33
Total Group liquidity	3,575	-367

<sup>1</sup> Excluding fixed-term deposits with terms from three to twelve months (2019: 0m EUR, 2018: 139m EUR); <sup>2</sup> Excl. cash-outs from equity investments

- 1 Largely due to IFRS 16
- 2 “Correction” of EBT for non-cash effect in interest result related to tax provision
- 3 Higher tax payments due to improved results in previous years
- 4 Largely “correction” of EBT for non-cash effect in financial result related to reclassification of hedges for aircraft purchases
- 5 Mainly prepayments at Lufthansa Technik
- 6 Various smaller effects

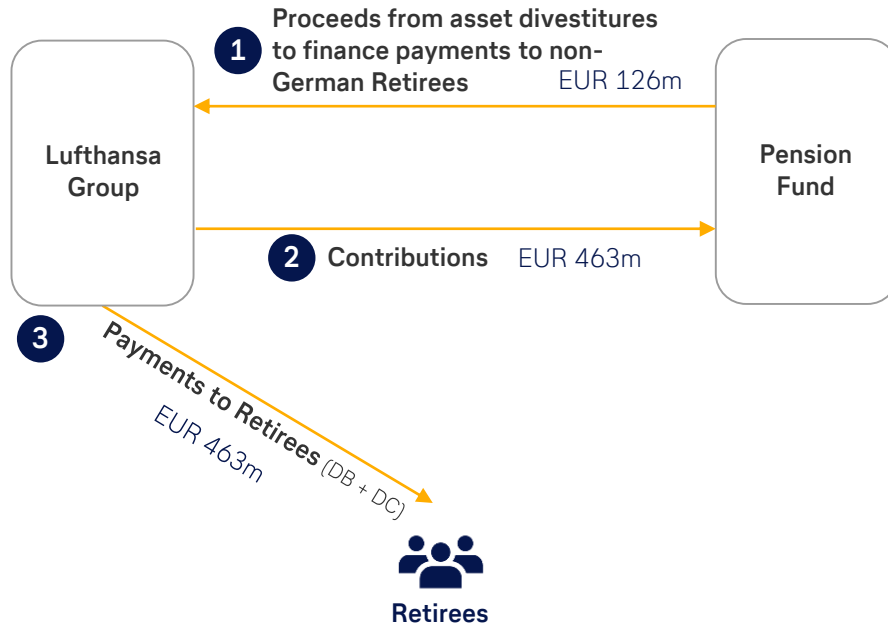
# Multi-Year financial overview

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

# Lufthansa pension accounting

## Schematic overview of cash flows (Example for FY 2018)



## Lufthansa Group Cash Flow Statement

Cash Flow from operating activities **3**

Net Cash from / used in investing activities

Net Cash from / used in cash management activities

**2** - **1**

Net Cash from / used in financing activities