



LUFTHANSA GROUP

Q1 2022 Results

Carsten Spohr, CEO
Remco Steenberghe, CFO

Frankfurt, 05 May 2022



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Carsten Spohr, CEO

Frankfurt, 05 May 2022



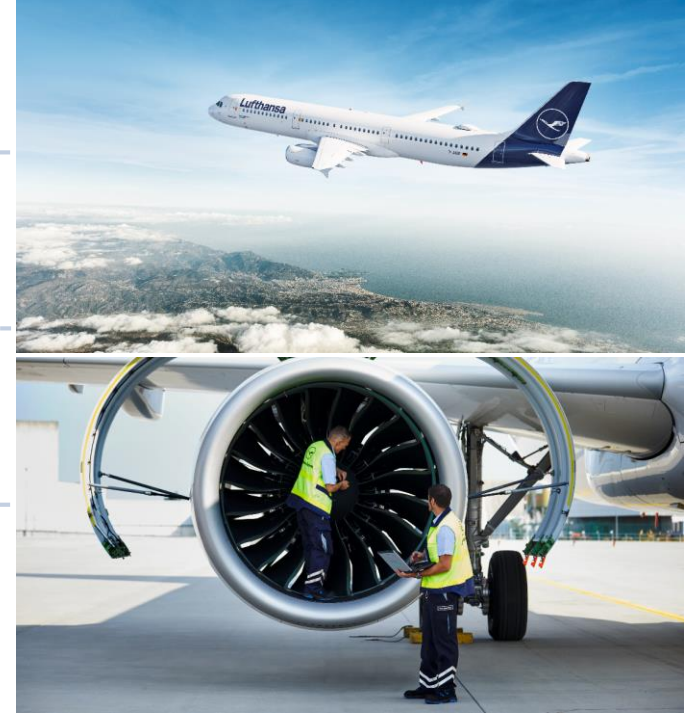
Lufthansa Group is leaving the Corona crisis behind

Very strong booking momentum since March

Network almost fully restored

Cargo business going from strength to strength

Group prepared to limit impact from industry-wide operational challenges

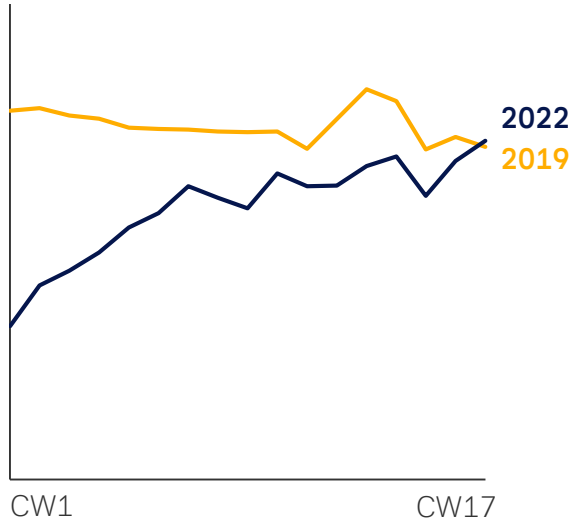


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Demand has returned strongly and at attractive yields

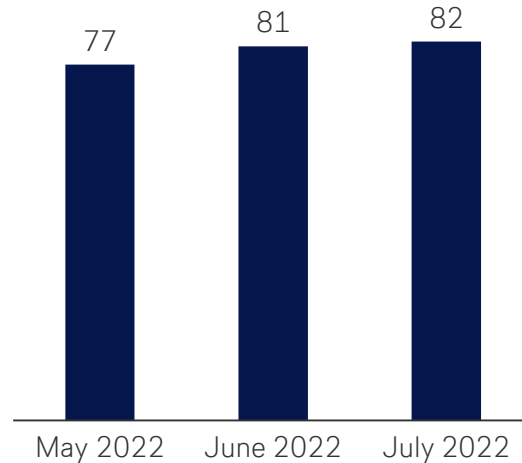
Group Airlines new bookings

by week



Group Airlines bookings on stock¹


as of end of CW17 in 2022 vs. end of CW17 in 2019



- Transatlantic particularly strong
- Premium recovers more strongly than non-premium
- Corporate travel expected to be back to ca. 70% by year-end
- Yields expected to be up significantly in the remainder of the year

¹ By departure month

Q1 – weak start due to Omicron, strong finish as demand started to return

		January		March
	Corporate bookings (in % of 2019 levels)	~20%		>50%
	Passengers (in millions)	3.7		5.7
	Seat Load Factor	59%		72%
	MRO: Serviced flight hours	757k		816k



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Q1 2022 Results

Remco Steenberg, CFO

Frankfurt, 05 May 2022



Q1 Adj. EBITDA close to break-even due to recovery from Omicron lows – Strong booking intake drives clearly positive free cash flow

(in EUR million)	Q1 '22	Q1 '21	Change in %
Revenues	5,363	2,560	+109%
Operating expenses	6,361	3,885	+64%
Of which fuel	987	275	+259%
Of which staff	1,788	1,296	+38%
Of which depreciation	563	566	-1%
Adjusted EBITDA	-28	-482	+94%
Adjusted EBIT	-591	-1,048	+44%
EBIT	-640	-1,135	+44%
Net income	-584	-1,049	+44%
Adjusted free cash flow	780	-953	nmf.

Passenger Airlines: Yield strength and unit cost progress offset by Omicron hit

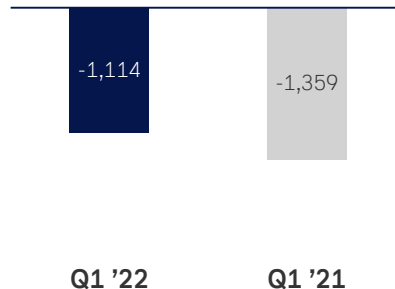


Operational KPIs

Adjusted EBIT in EUR million

Comments

	Q1 '22	vs. 2021	vs. 2019
ASK	45,656m	<i>+170.9%</i>	<i>-42.5%</i>
SLF	65.4%	<i>+20.4pts</i>	<i>-12.5pts</i>
Yield¹	7.4€c	<i>+4.1%</i>	<i>-2.5%</i>
Short-haul		<i>-12.4%</i>	<i>-11.5%</i>
Long-haul		<i>+12.1%</i>	<i>+2.1%</i>
RASK¹	6.8€c	<i>+10.0%</i>	<i>-6.5%</i>
CASK¹	7.1€c	<i>-43.5%</i>	<i>+18.4%</i>



- Group Airlines' result heavily impacted by Omicron fears and high infection rates in home markets at the beginning of the quarter
- Yields in long haul continue to be particularly strong
- Cost saving measures and beginning traffic normalization drive CASK reduction – Eurowings CASK below pre-crisis level despite lower capacity offered

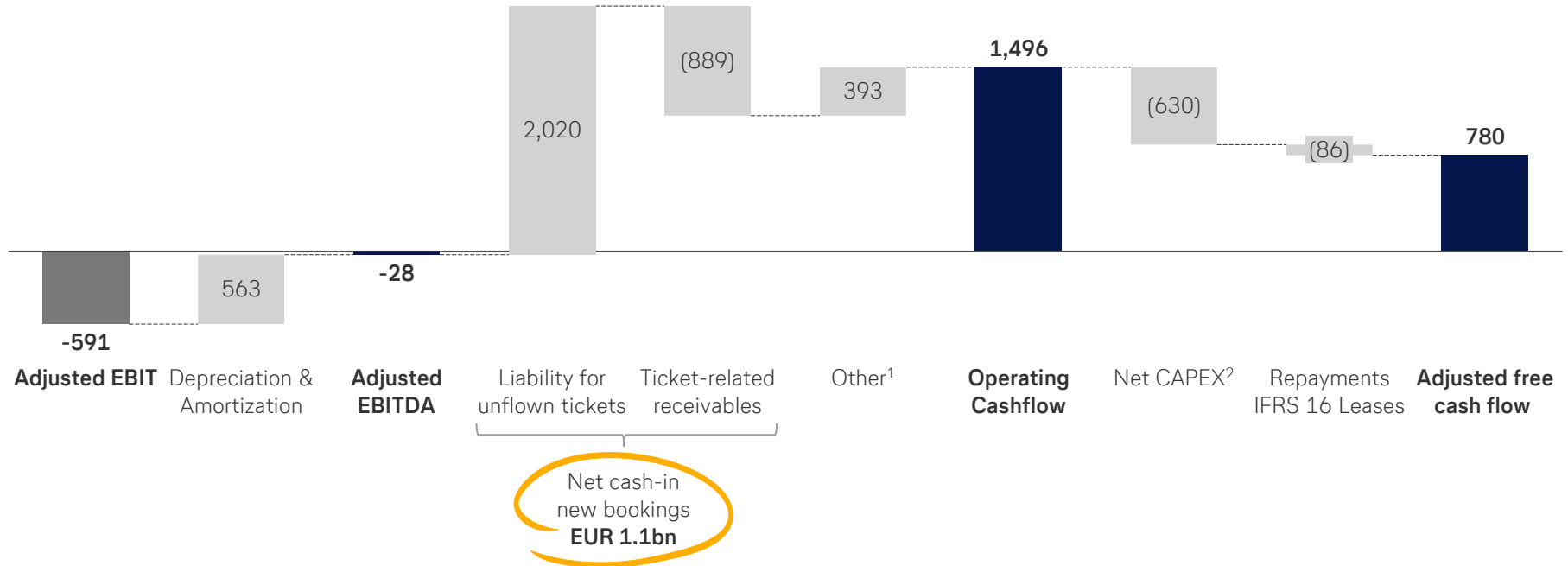
¹ Incl. currency

Lufthansa Cargo reaches record profit, MRO recovers strongly, Catering result affected by non-recurrence of prior year positive one-off

Adjusted EBIT in EUR million		Comments
 Lufthansa Cargo	<div> <div>495</div> <div>Q1 '22</div> </div> <div> <div>315</div> <div>Q1 '21</div> </div>	<ul style="list-style-type: none"> ▪ Cargo generates record result as global supply chain disruptions and yield strength continue ▪ Lufthansa Technik benefits from significant increase in demand and strict cost management ▪ LSG Group impacted by non-recurrence of US Cares Act support in the prior year ▪ Higher loss in Others primarily caused by sharp reduction in short-time work
 Lufthansa Technik	<div> <div>120</div> <div>Q1 '22</div> </div> <div> <div>45</div> <div>Q1 '21</div> </div>	
LSG group	<div> <div>-14</div> <div>Q1 '22</div> </div> <div> <div>-8</div> <div>Q1 '21</div> </div>	
Others	<div> <div>-63</div> <div>Q1 '22</div> </div> <div> <div>-53</div> <div>Q1 '21</div> </div>	

Booking intake drives positive free cash flow

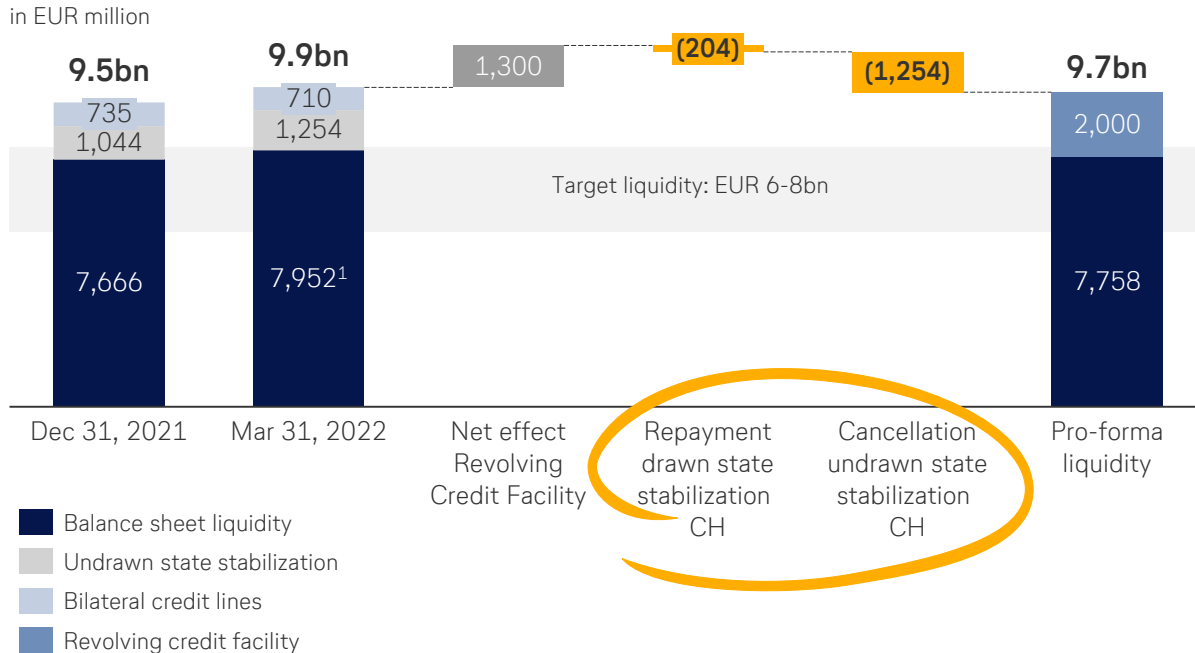
First Quarter 2022 Adjusted EBIT / Adjusted free cash flow in EUR million



¹ Incl. result from equity invest, other non-cash items, change in other assets & liabilities incl. EUR 191m pension inflow, tax, remaining TWC

² Excl. EUR -7m effect from equity investments

High levels of liquidity enable the repayment of the state-backed loan in CH



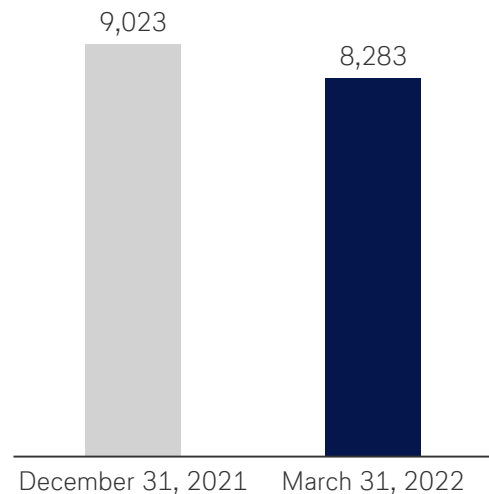
Comments

- Free cash flow performance facilitates repayment of EUR 352 million stabilization measures in CH and the US
- EUR 2 billion revolving credit facility signed in April replaces ca. EUR 0.7 billion of smaller existing credit lines
- Group plans to fully terminate the stabilization measures in CH during the second quarter of 2022

¹ Incl. EUR 734 million of drawn and repayable state stabilization measures in Switzerland, Belgium and Austria

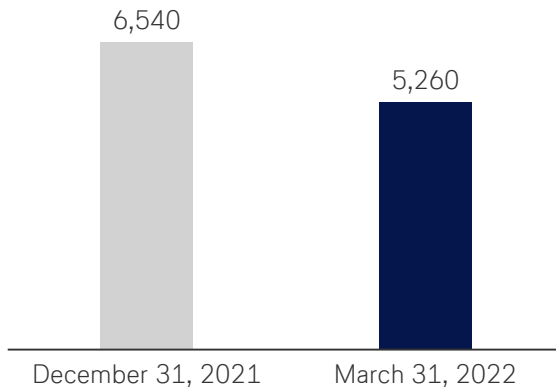
Strong cash flows and lower pension deficit further strengthen balance sheet

Net debt in EUR million



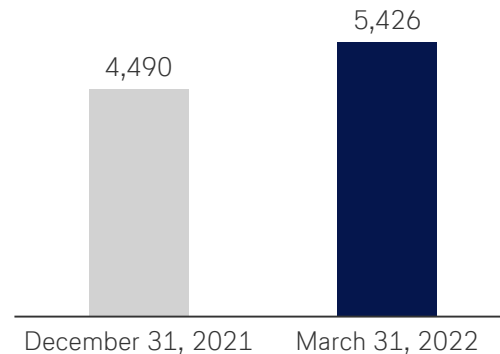
Reduction driven by **significantly positive free cash flow**

Net pension liability¹ in EUR million



Increase of discount rate from 1.3% to 1.8% partly offset by negative plan asset performance

Shareholder equity in EUR million

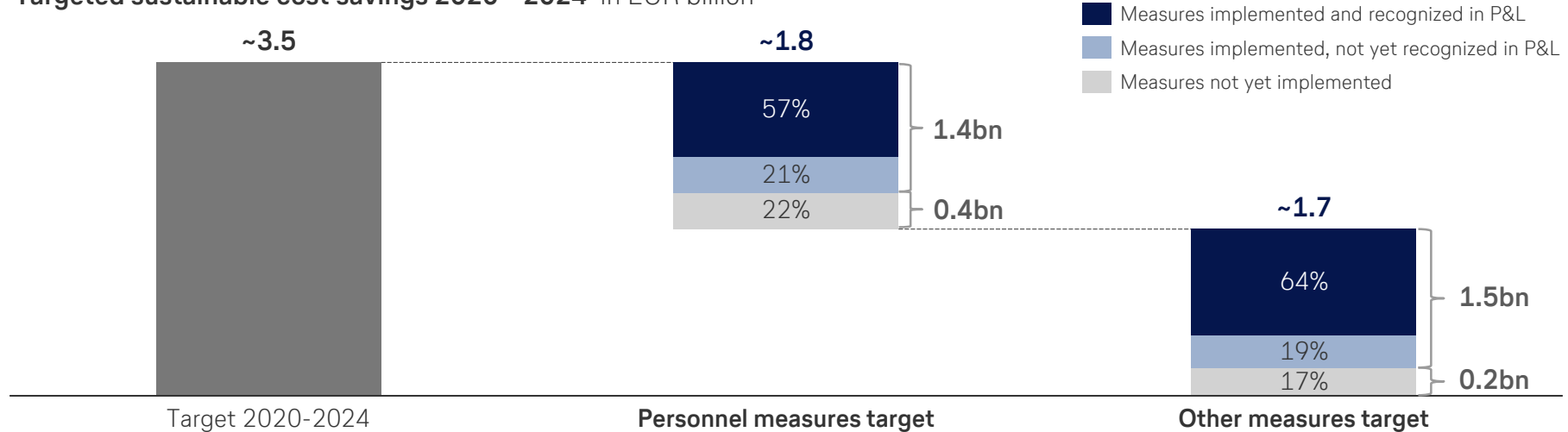


Lower pension deficit and positive market values of derivatives compensate net loss

¹Incl. surplus of EUR 451m related to pension plan in CH on March 31, 2022 (December 31, 2021: EUR 136m), which may not be netted according to IFRS

EUR 2.9bn of targeted EUR 3.5bn cost savings secured and measures for remaining gap identified

Targeted sustainable cost savings 2020 - 2024 in EUR billion

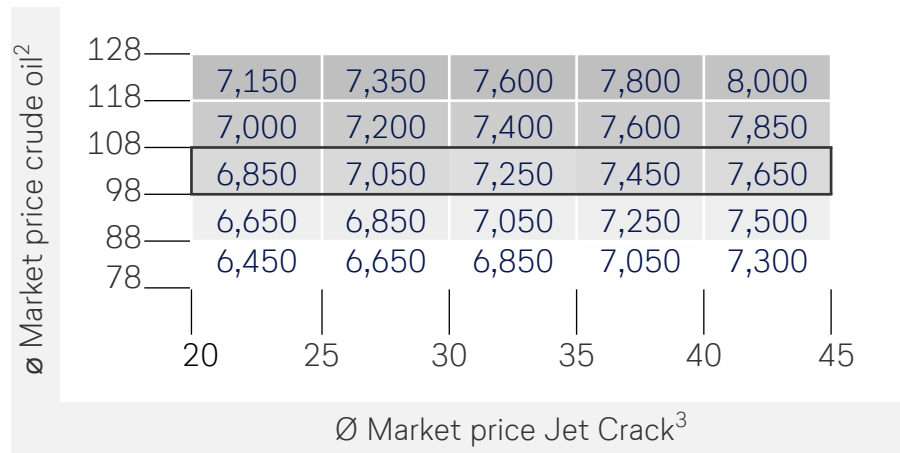


Identified measures to close gap

- | | |
|---|---|
| <ul style="list-style-type: none"> Renegotiation of collective labor agreements at LH cockpit & cabin Disproportionate growth of higher productivity / lower cost platforms | <ul style="list-style-type: none"> Lower external spend volume Further fleet and planning optimization at Eurowings Cityline savings program |
|---|---|

Unpredictable jet crack movements make fuel cost outlook highly uncertain – Group intends to pass on higher fuel cost to customers

Expected fuel cost sensitivity after hedging (FY 2022)¹



Hedging portfolio as of March 31, 2022

	Q2	Q3	Q4	FY 2022	FY 2023
Hedge ratio (%)	65	62	55	63	29
Break-even price(\$/bbl)	74	76	76	74	82

Pricing adjusted: Yields expected to increase at least high-single-digits vs. 2021 in remainder of 2022

¹ As of 31 March 2022, including existing hedges and assuming an average 2022 EUR/USD forward rate of 1.06

² Average 2022 Brent ICE Crude oil future in USD/barrel (27.04.2022: 102.9 USD/bbl)

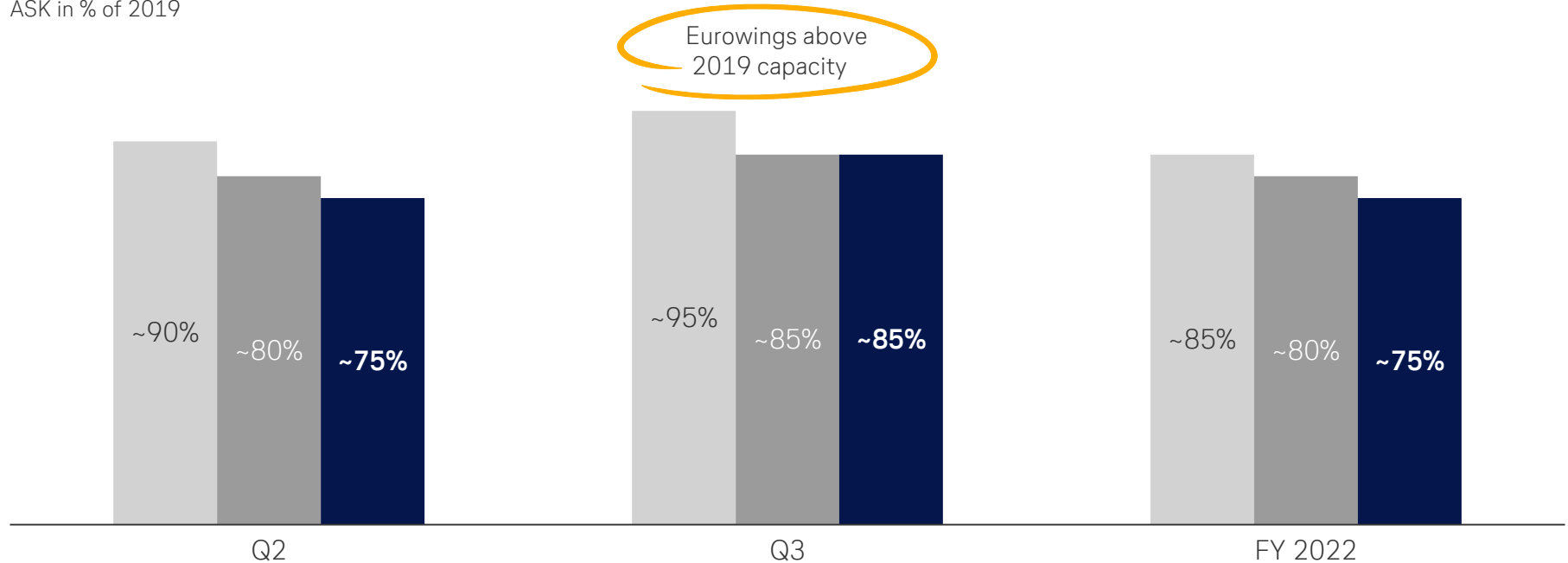
³ Average 2022 Jet Crack (27.04.2022: 37.6 \$/bbl)

High demand supports the significant ramp-up of planned capacity

Expected capacity offered by Group airlines

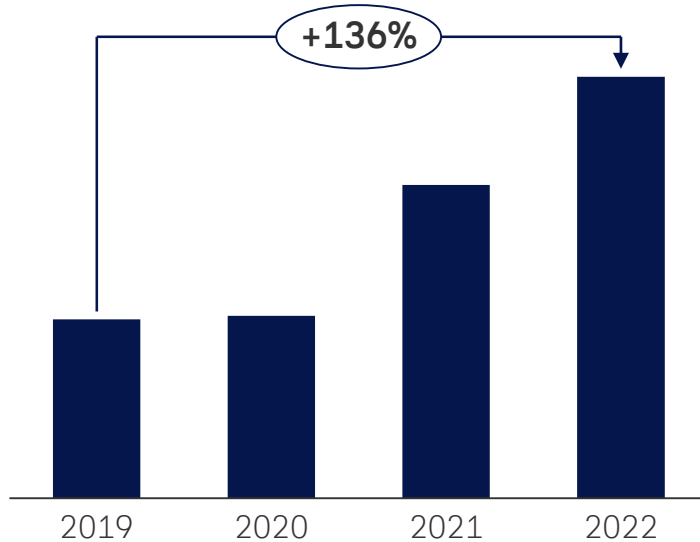
ASK in % of 2019

Short-haul Transatlantic Total



Record performance of Lufthansa Cargo is set to continue

Lufthansa Cargo Q1 Yield Development



Global supply chain disruptions continue

Air freight capacity will remain structurally limited

Air freight demand expected to remain strong



Outlook confirmed despite uncertainty caused by recent spike in fuel prices



2022 Capacity (ASK):
Around 75% of 2019 ASK



2022 Adjusted EBIT:
Improvement compared to prior year



2024 Adj. EBIT margin:
At least 8%

Appendix

- supplementary information -

Traffic Data

		Jan	vs.2019	Feb	vs.2019	Mar	vs.2019	Q1	vs.2019
Total Lufthansa Group Airlines	Passengers in 1,000	3,706	-59.2%	3,788	-58.2%	5,679	-49.7%	13,173	-55.2%
	Available seat-kilometers (m)	15,623	-40.6%	12,964	-47.0%	17,070	-40.4%	45,656	-42.5%
	Revenue seat-kilometers (m)	9,251	-54.0%	8,336	-55.5%	12,274	-46.9%	29,862	-51.8%
	Passenger load-factor (%)	59.2	-17.1pts	64.3	-12.3pts	71.9	-8.7pts	65.4	-12.5pts
	Available Cargo tonne-kilometers (m)	1,075	-17.4%	952	-23.7%	1,115	-26.0%	3,142	-22.5%
	Revenue Cargo tonne-kilometers (m)	696	-9.5%	675	-16.0%	767	-21.6%	2,138	-16.2%
	Cargo load-factor (%)	64.7	+5.7pts	70.9	+6.5pts	68.8	+3.8pts	68.0	+5.2pts
	Number of flights	43,403	-49.4%	38,798	-53.4%	53,338	-44.5%	135,539	-48.9%

Operating KPIs of Passenger Airlines by region vs. 2019 (unless stated otherwise)

Total	Q1'22
Number of flights	-49.1%
ASK	-42.5%
RPK	-51.8%
SLF	-12.5pts.

Yield	-2.5%
Yield vs 2020	+4.1%
Yield ex currency vs 2020	-1.7%
RASK	-6.5%
RASK ex currency vs 2020	+6.8%
CASK ex. fuel, ex. emissions cost	+18.4%
CASK ex. fuel, ex. emissions cost vs 2020	-43.5%
CASK ex currency, ex fuel, ex emissions cost vs 2020	-44.6%

Europe	Q1'22
ASK	-41.4%
RPK	-46.7%
SLF	-6.5pts.
RASK incl. currency ¹⁾	-19.5%

Americas	Q1'22
ASK	-33.6%
RPK	-46.2%
SLF	-15.3pts.
RASK incl. currency ¹⁾	-20.0%

North America	-25.3%
South America	--2.8%

Asia / Pacific	Q1'22
ASK	-71.1%
RPK	-80.2%
SLF	-26.2pts.
RASK incl. currency ¹⁾	-23.6%

Middle East / Africa	Q1'22
ASK	-21.6%
RPK	-29.5%
SLF	-7.9pts.
RASK incl. currency ¹⁾	-7.9%

¹⁾ Regional RASK are based on regional traffic revenues only

Calculation of operational airline KPIs

Passenger Airlines, Q1 2022

Yield	1) Traffic revenues (€m)	2510
	2) Not assignable (€m)	300
	= 3) Basis for Yield (1)-(2) (€m)	2,210
	4) RPK (m) ¹	29,862
	Yield (3/4)*100 (€c)	7.4

RASK	1) Total Revenues (€m)	3,020
	2) Other operating income (€m)	138
	3) Reversal of provisions (€m)	22
	4) FX losses (€m)	-54
	= 5) Basis for RASK (1)+(2)-(3)+(4) (€m)	3,082
	6) ASK (m) ²	45,656
	RASK (5/6)*100 (€c)	6.8

CASK	1) Total operating expenses (€m)	-4,238
	2) Reversal of provisions (€m)	22
	3) FX losses (€m)	-54
	4) Fuel expenses (€m)	-900
	5) Emission Trading (€m)	-9
	= 6) Basis for CASK (1)+(2)-(3)-(4)-(5) (€m)	-3,253
	7) ASK (m) ²	45,656
	CASK -(6)/(7)*100 (€c)	7.1

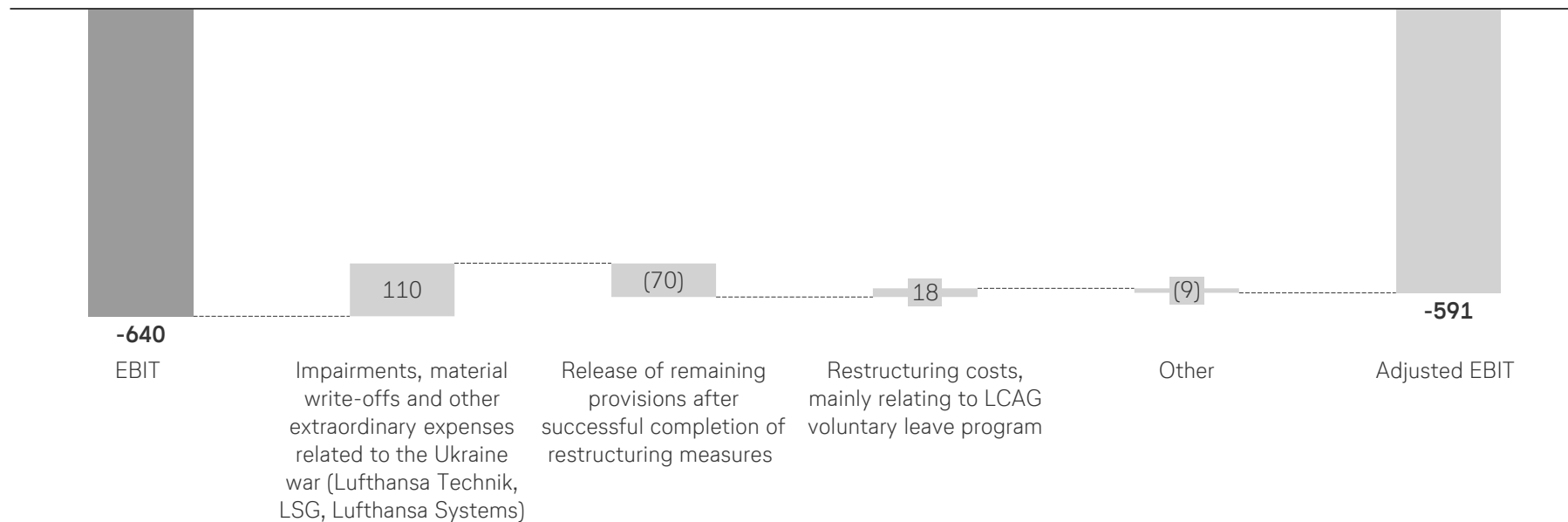
¹ RPK: Revenue Passenger Kilometers, ² ASK: Available Seat Kilometers

Group P&L

Lufthansa Group (in EUR m)	Q1 '22	vs. Q1 '21
Revenues	5,363	+109.5%
Total operating income	+5,813	+101.3%
Operating expenses	6,361	+63.7%
Of which fees & charges	678	+137.9%
Of which fuel	987	+258.9%
Of which staff	1,788	+38.0%
Of which depreciation	563	-0.5%
Result from equity investments	-43	+15.7%
Adjusted EBIT	-591	+43.6%
Adjusted EBIT Margin	-11.0%	+29.9pts.
Adjustments	-49	+43.7%
EBIT	-640	+43.6%
Net interest income	-83	+29.7%
Other financial items	33	nmf.
EBT	-690	+47.4%
Income taxes	108	-58.3%
Profit / loss attributable to minority interests	-2	nmf.
Net income	-584	+44.3%

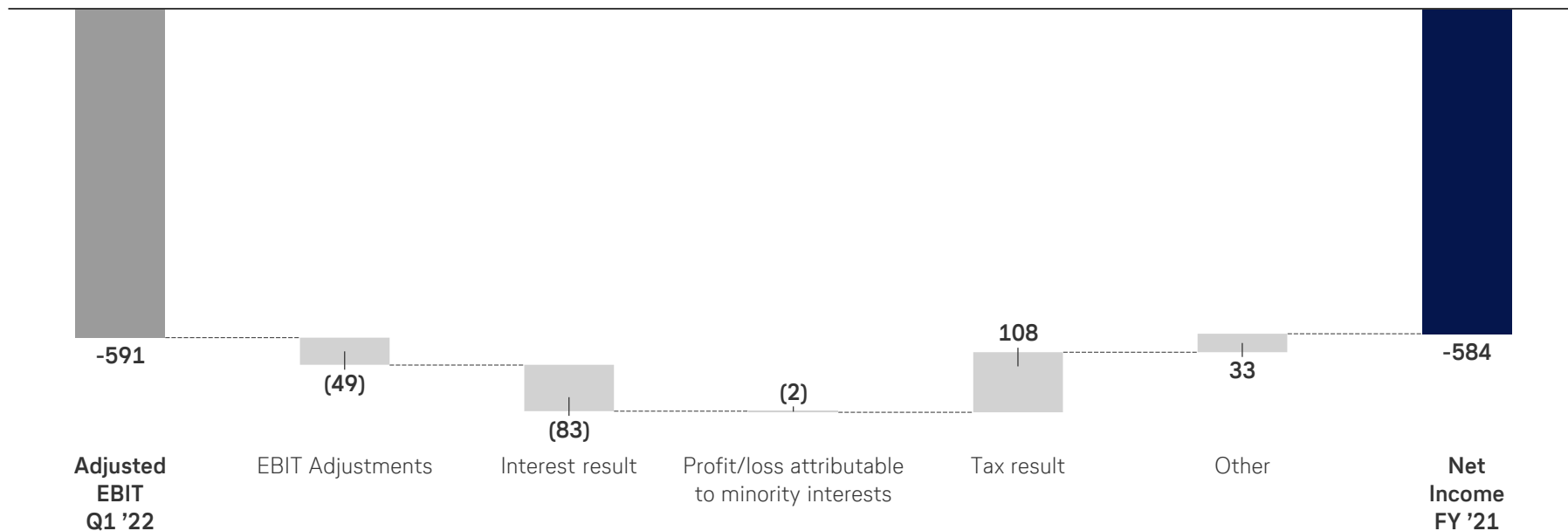
EBIT / Adjusted EBIT bridge Q1 2022

in EUR million








Adjusted EBIT / Net Income Q1 2022

in EUR million



Adjusted EBIT by Airline

Adjusted EBIT (in EUR m)		Q1 '22	Q1 '21	Change in %
Lufthansa German Airlines		-715	-831	+14.0%
SWISS		-62	-211	+70.6%
Austrian Airlines		-109	-104	-4.8%
Brussels Airlines		-62	-70	+11.4%
Eurowings		-163	-143	-14.0%
Passenger Airlines		-1,114	-1,359	+18.0%

Cash flow statement

Lufthansa Group (in m EUR)	Q1 '22	vs. Q1 '21
EBT (earnings before income taxes)	-690	+623
Depreciation & amortization (incl. repairable MRO materials)	616	+57
Net proceeds from disposal of non-current assets	-10	-5
Result of equity investments	60	+9
Net interest	83	-35
Income tax payments/reimbursements	11	+27
Significant non-cash-relevant expenses / income	-124	-182
Change in trade working capital	1,292	+1,681 ¹
Change in other assets / liabilities	258	+96 ²
Operating cash flow	1,496	+2,271
Capital expenditure (net)	-637	-550
Free cash flow	859	+1,721
Adjusted Free cash flow	780	+1,733
Cash and cash equivalents as of 31.03.22 ¹ less assets held for sale	2,481	+1,020
Current securities	5,467	+2,199
Total Group liquidity	7,948	+3,219

1 Positive working capital effect driven by EUR 1,131 million net cash effect from new bookings
(New bookings at EUR 2,020 million, reduced by EUR 889 million of related receivables)

2 Other assets position includes positive net cash in from pensions amounting to EUR 191 million (Q1 2021: -126 million)

¹ Excl. fixed-term deposits with terms from three to twelve months (2022: 4m EUR, 2021: 21m EUR)

Multi-Year financial overview

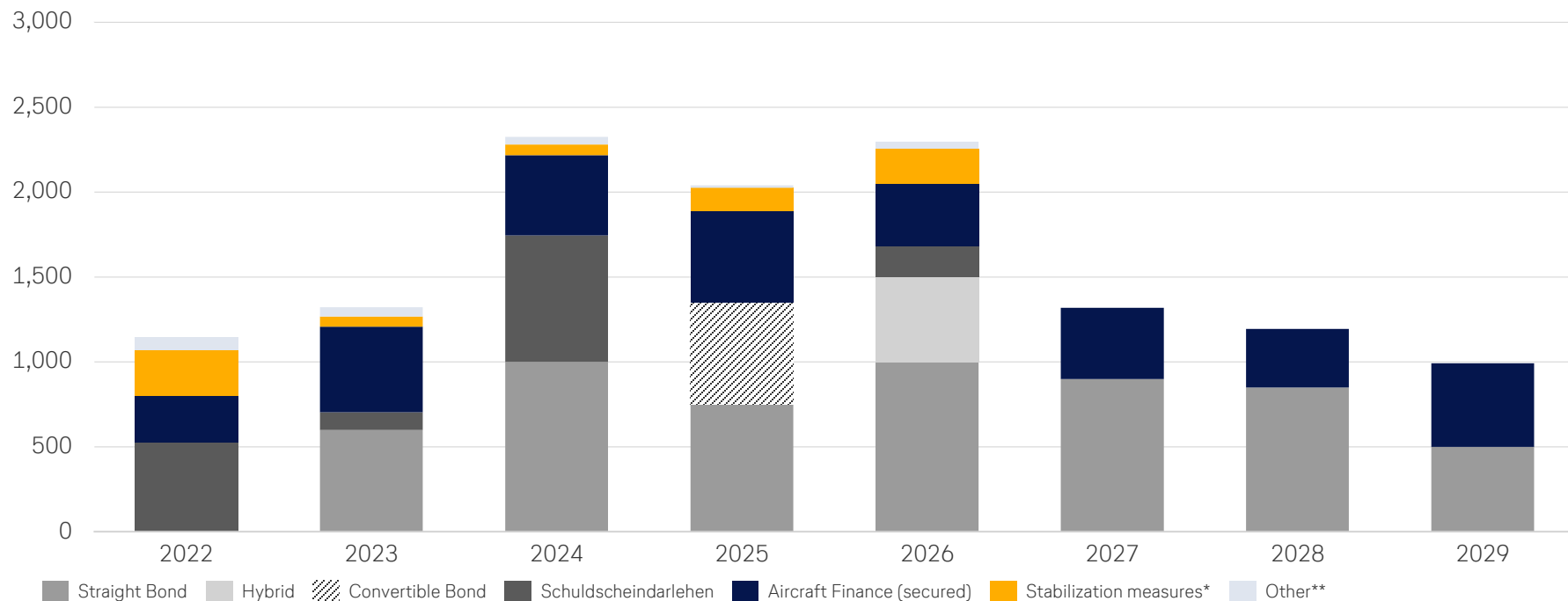
Lufthansa Group (in m EUR, as reported)	2015	2016	2017	2018	2019 ¹⁾	2020	2021
Operating KPIs							
RASK ex currency	-3.0%	-5.9%	+1.9%	-0.5%	-2.5%	-26.7%	-6.1%
CASK ex currency, ex fuel ²⁾	+2.4%	-2.5%	-1.8%	-1.7%	-1.5%	+84.6%	-25.8%
Profit & Loss							
Revenues	32,056	31,660	35,579	35,542	36,424	13,589	16,811
Fuel Cost	5,784	4,885	5,232	6,087	6,715	1,875	2,409
Adjusted EBIT	1,817	1,752	2,969	2,836	2,026	-5,451	-2,349
Adjusted EBIT Margin	5.7%	5.5%	8.3%	8.0%	5.6%	-40.1%	-14.0%
Balance Sheet							
Total Assets	32,462	34,697	35,778	38,213	42,659	39,484	42,538
Net Financial Debt and Pension Liabilities	9,973	11,065	8,000	9,354	13,321	19,453	15,699
Adjusted ROCE	8.3%	7.0%	11.9%	10.6%	6.6%	-16.7%	-7.5%
Cash Flow statement							
Operating Cash Flow	3,393	3,246	5,368	4,109	4,030	-2,328	618
Capital expenditure (net)	2,559	2,108	3,251	3,859	3,448	962	-1,119
Free Cash Flow ³⁾	834	1,138	2,117	288	203	-3,669	-855

¹⁾ 2019 reported figures including effects from IFRS 15 treatment of compensation payments, 2017 restated for better comparability

²⁾ Adjusted for pension effects in 2016 and 2017 as a result from the change from defined benefit to defined contribution

³⁾ Adjusted free cash flow from 2018 onwards

Maturity profile of borrowings as of March 31, 2022



* As drawn on Mar 31 - predominantly scheduled repayment of stabilization measures of EUR 240 million from Austria, CHF 210 million from Switzerland and EUR 290 million from Belgium

** Mainly bilateral loans – does not include operating leases