



First Quarter 2023 Results

Carsten Spohr, CEO

Remco Steenberg, CFO

Frankfurt, 03 May 2023



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First Quarter 2023 Results

Carsten Spohr, CEO

Frankfurt, 03 May 2023



Improvements in all areas in Q1 form the basis for a successful year

Adjusted EBIT



**EUR
-273m**

Revenues

EUR 7bn

+40% vs. 2022

Passengers

22m

+9m vs. 2022



Yield

+19%

vs. 2019



Operating Cash Flow

EUR 1.6bn



Net CAPEX



~ EUR 1bn

The Lufthansa Group is ready for a strong summer

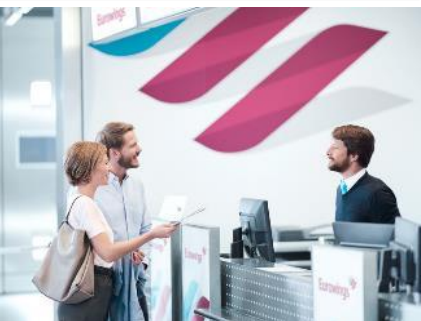
Close alignment
with
infrastructure
partners



4,500
new staff recruited
in the first 3 months



**Stable operational
performance**
over Easter peak



Short-haul
touristic
demand **exceeds**
2019 levels



**Strong booking
momentum
continues**



**Premium
leisure demand
stays high**



Lufthansa Group is delivering on its key strategic priorities



Customer Experience



New Product Generation



Multi-Airline Multi-Hub



Transformation into an Airline Group

Lufthansa Group is well positioned for a successful future



- ✓ Completed the financial turnaround
- ✓ On track for the achievement of our 2024 financial targets
- ✓ In the process of implementing significant product and service improvements for our customers
- ✓ Back to creating value for our shareholders
- ✓ Good progress made in focusing our portfolio on the airline core
- ✓ Back to being able to offer attractive rewards and opportunities to grow for our employees



First Quarter 2023 Results

Remco Steenbergen, CFO

Frankfurt, 03 May 2023



Q1 result improves significantly year-on-year despite even increased seasonality and costs related to the summer ramp-up

(in EUR million)	Q1 '23	Q1 '22	Change in %
Revenues	7,017	5,002	+40
Operating expenses	7,979	6,096	+31
Of which fuel	1,686	987	+71
Of which staff	1,922	1,632	+18
Of which depreciation	545	559	-3
Adjusted EBITDA	272	-32	
Adjusted EBIT	-273	-577	+53
EBIT	-304	-608	+50
Net income	-467	-584	+20
Adjusted Free cash flow	482	780	-38

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

Passenger Airlines: Losses more than halved due to higher yields and loads

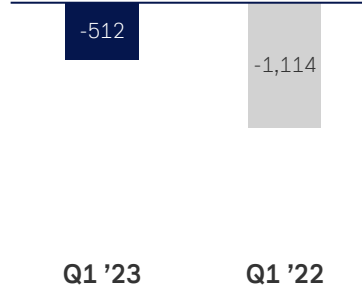


Operational KPIs

Adjusted EBIT in EUR million

Comments

	Q1 '23	vs. 2022	vs. 2019
ASK	59,347	+30%	-25.3%
SLF	79.7%	+14.3pts	+1.8pts
Yield¹	9.1 €c	+22.5%	+19.4%
Short-haul		+23.3%	+9.0%
Long-haul		+22.8%	+25.5%
RASK¹	9.0 €c	+33.6%	+24.9%
CASK¹	7.1 €c	-0.6%	+17.6%

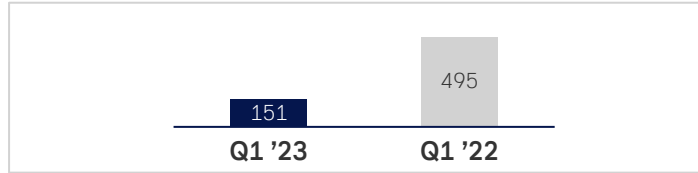


- 19% yield increase versus 2019 indicative of ongoing strong pricing power especially in long-haul, seat load factor exceeds pre-crisis level
- Performance improves across airlines
- CASK in Q1 still burdened by low capacity, cost increases related to the upcoming ramp up, investments into operational stability and inflation

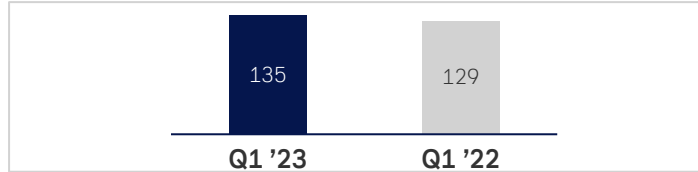
¹ Incl. currency

Lufthansa Cargo's profits normalize – Adjusted EBIT up in all other segments

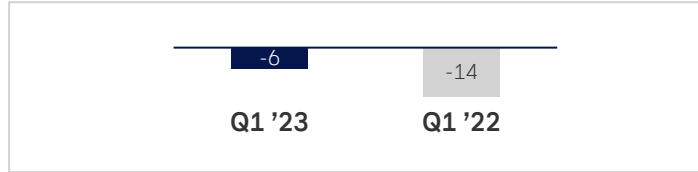
 **Lufthansa Cargo**



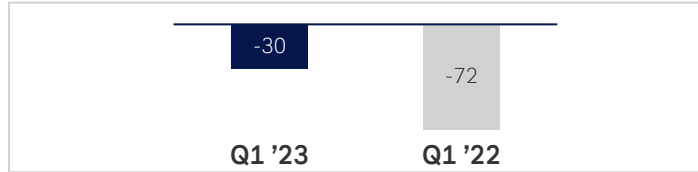
 **Lufthansa Technik**



LSGgroup



Others



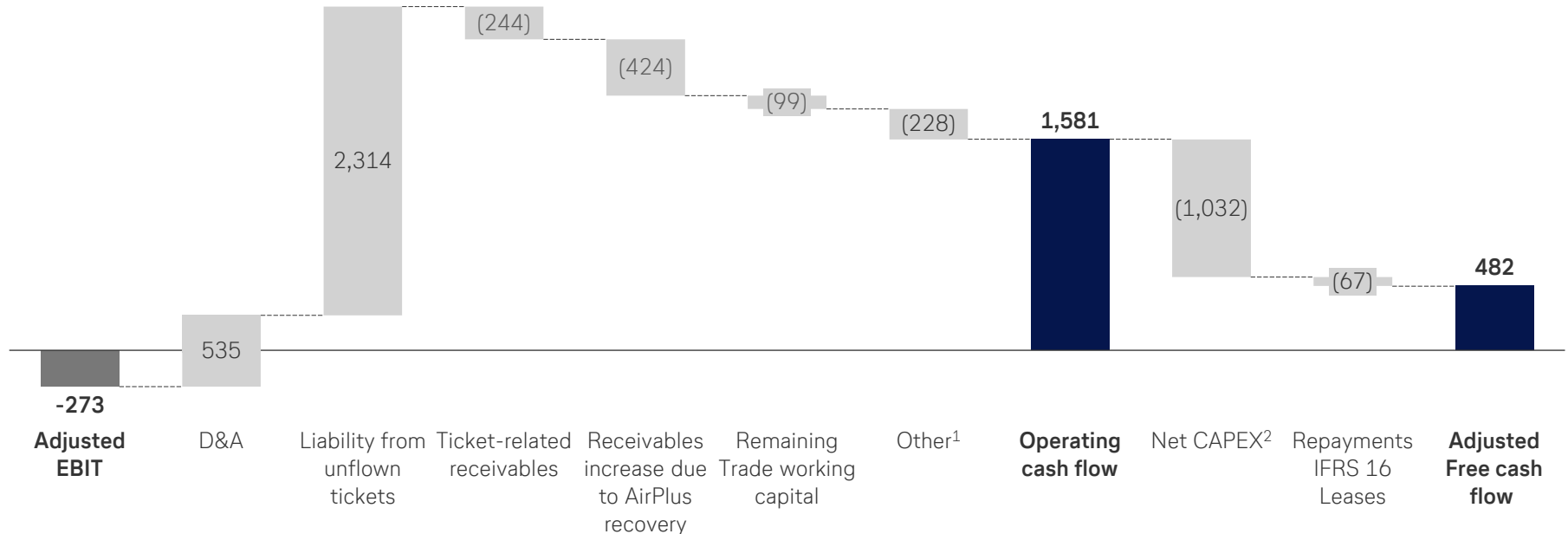
Comments

- Cargo profits normalize from prior year record base – yields still up >60% compared to 2019 levels in Q1
- Lufthansa Technik result benefits from strong demand growth offsetting labor and material cost inflation
- Progress in the recovery of the Asian business supports the reduction of losses at LSG Group
- Better result in “Other Businesses and Group functions” supported by improvement at AirPlus

Adjusted free cash flow performance driven by strong operating cash flow

Q1 Adjusted EBIT / Adjusted Free cash flow

in EUR million



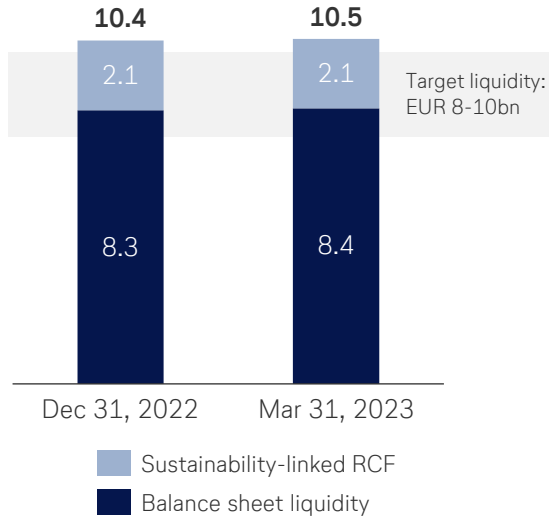
¹ Incl. other non-cash items, change in other assets & liabilities, tax

² Excl. EUR 8m effect from equity investments

Further progress on the way back to an investment grade rating

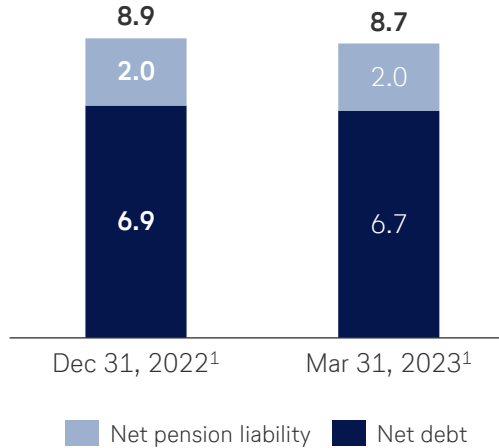
Liquidity

EUR billion



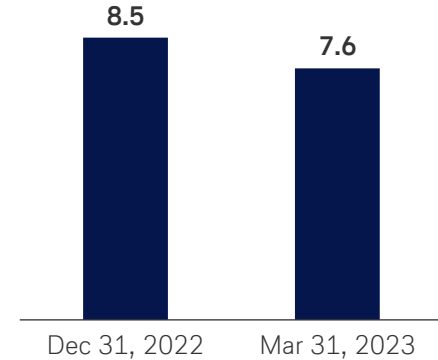
Net debt and net pension liabilities

EUR billion



Shareholder equity

EUR billion



Strong balance sheet recognized: S&P upgraded Lufthansa to BB+ with a positive Outlook

¹ Incl. pension plan surpluses which may not be netted according to IFRS (Mar 31, 2023: EUR 64m; Dec 31, 2022: EUR 76m)

Sale of LSG Group is a major step in the transformation into an airline group



LSGgroup

Sale of LSG Group to private equity investor AURELIUS announced in April - Transaction expected to close in Q3 2023



Lufthansa Technik

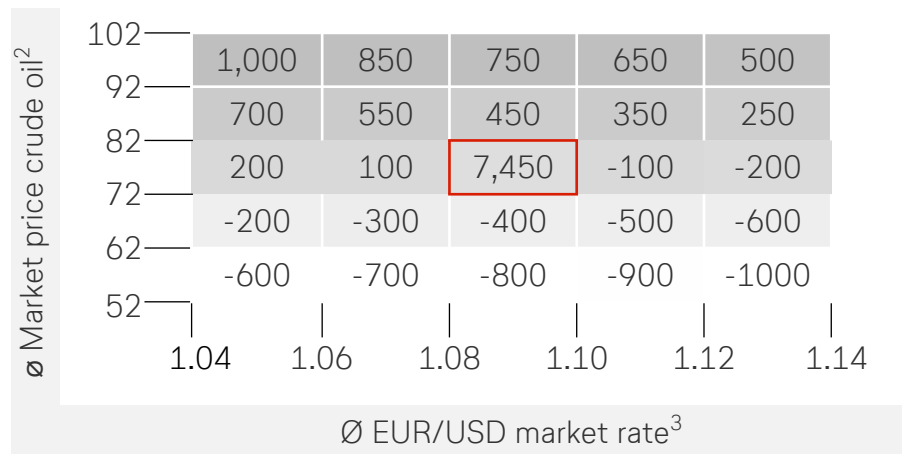
Process underway to divest a minority stake



Full divestment planned once fair value can be realized

Option-based fuel hedging offers protection while leaving the opportunity to benefit from lower prices

Expected fuel cost sensitivity after hedging (FY 2023)¹



Hedging portfolio excl. LH Cargo as of April 26, 2023

	Q2	FY 2023
Hedge ratio Crude (%)	83	84
Break-even price (USD/bbl)	87	90
Hedge ratio Crack ⁴ (%)	65	59
Strike Crack Hedges (USD/bbl)	30	29

	Q2	Q3	Q4	FY 2023
Jet fuel volume (mTons)	2.2	2.5	2.3	8.8

¹ Passenger Airlines and Logistics, as of 26 April 2023, including existing hedges, assuming stable Jet Crack of 19 USD/bbl

² Average 2023 Brent ICE Crude oil future in USD/barrel (26 April 2023: 76.9 USD/bbl)

³ Average 2023 EUR/USD forward rate (26 April 2023: 1.09 EUR/USD)

⁴ Hedges on basis of Jet and Gasoil derivatives

Group expects to make significant progress in 2023 towards the 2024 targets

Q2 2023



Capacity (ASK)
c.82% of 2019 levels



Yield
Up to 25% above 2019



Adjusted EBIT
Above 2019 level of
EUR 754m¹

Full Year 2023



Capacity (ASK)
c.85-90% of 2019 levels



Adjusted EBIT
Significantly above 2022



Adjusted Free cash flow
Significantly positive



Net CapEx
EUR 2.5-3.0bn

Full Year 2024



Adjusted EBIT margin
At least 8%



Adjusted ROCE (excl. cash)
At least 10%

Appendix

- supplementary information-

Traffic Data

	Jan	vs.2019	Feb	vs.2019	Mar	vs.2019	Q1	vs.2019
Passengers in 1,000	6,621	-27.0%	6,602	-27.1%	8,420	-25.4%	21,643	-26.4%
Available seat-kilometers (m)	19,931	-24.3%	17,964	-26.6%	21,451	-25.1%	59,347	-25.3%
Revenue seat-kilometers (m)	15,483	-22.9%	14,094	-24.8%	17,739	-23.2%	47,316	-23.6%
Passenger load-factor (%)	77.7	+1.4pts	78.5	+1.9pts	82.7	+2.1pts	79.7	+1.8pts
Available Cargo tonne-kilometers (m)	1,149	-11.7%	1,085	-13.1%	1,222	-18.8%	3,457	-14.8%
Revenue Cargo tonne-kilometers (m)	615	-19.9%	652	-18.8%	763	-22.1%	2,031	-20.4%
Cargo load-factor (%)	53.5	-5.5pts	60.1	-4.2pts	62.4	-2.6pts	58.7	-4.1pts
Number of flights	59,398	-30.7%	57,057	-31.4%	69,475	-27.7%	185,930	-29.8%

Total
Lufthansa
Group Airlines

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

Total	Q1'23
Number of flights	-29.8%
ASK	-25.3%
RPK	-23.6%
SLF	+1.8pts.

Yield	+19.4%
Yield vs 2022	+22.5%
Yield ex currency vs 2022	+21.5%
RASK	+24.9%
RASK ex currency vs 2022	+32.2%
CASK ex. fuel, ex. emissions cost	+17.6%
CASK ex. fuel, ex. emissions cost vs 2022	-0.6%
CASK ex currency, ex fuel, ex emissions cost vs 2022	-1.9%

Europe	Q1'23
ASK	-23.7%
RPK	-18.4%
SLF	+5.0pts.
RASK incl. currency ¹⁾	+16.6%

Americas	Q1'23
ASK	-23.9%
RPK	-25.4%
SLF	-1.6pts.
RASK incl. currency ¹⁾	+17.6%

North America	+9.8%
South America	+42.7%

Asia / Pacific	Q1'23
ASK	-41.3%
RPK	-39.3%
SLF	+2.8pts.
RASK incl. currency ¹⁾	+43.8%

Middle East / Africa	Q1'23
ASK	-6.4%
RPK	-3.4%
SLF	+2.5pts.
RASK incl. currency ¹⁾	+26.4%

¹⁾ Regional RASK are based on regional traffic revenues only

Calculation of operational airline KPIs

Passenger Airlines, Q1 2023

Yield	1) Traffic revenues (€m)	4,806
	2) Not assignable (€m)	518
	= 3) Basis for Yield (1)-(2) (€m)	4,288
	4) RPK (m) ¹	47,316
	Yield (3/4)*100 (€c)	9.1

RASK	1) Total Revenues (€m)	5,211
	2) Other operating income (€m)	303
	3) Reversal of provisions (€m)	66
	4) FX losses (€m)	-95
	= 5) Basis for RASK (1)+(2)-(3)+(4) (€m)	5,353
	6) ASK (m) ²	59,347
	RASK (5/6)*100 (€c)	9.0

CASK	1) Total operating expenses (€m)	-5,997
	2) Reversal of provisions (€m)	66
	3) FX losses (€m)	-95
	4) Fuel expenses (€m)	-1,592
	5) Emission Trading (€m)	-42
	= 6) Basis for CASK (1)+(2)-(3)-(4)-(5) (€m)	-4,202
	7) ASK (m) ²	59,347
	CASK -(6)/(7)*100 (€c)	7.1

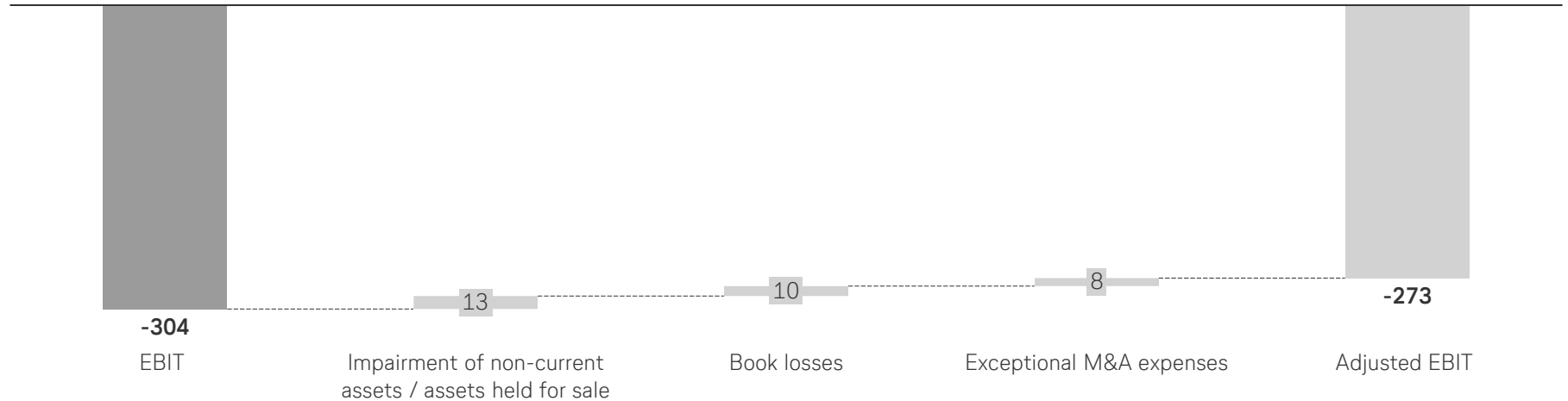
¹ RPK: Revenue Passenger Kilometers, ² ASK: Available Seat Kilometers

Group P&L

Lufthansa Group (in EUR m)	Q1 '23	vs. Q1 '22
Revenues	7,017	+40.3%
Total operating income	7,693	+39.2%
Operating expenses	7,979	+30.9%
Of which fees & charges	909	+34.1%
Of which fuel	1,686	+70.8%
Of which staff	1,922	+17.8%
Of which depreciation	545	-2.5%
Result from equity investments	-27	+34.1%
Adjusted EBIT	-273	+52.7%
Adjusted EBIT Margin	-3.9%	+7.6%P
Adjustments	-31	0.0%
EBIT	-304	+50.0%
Net interest income	-90	-11%
Other financial items	-136	n.m.f.
EBT	-530	+19%
Income taxes	109	-5%
Profit / loss from discontinued operations	-44	-47%
Profit / loss attributable to minority interests	-2	+0.0%
Net income	-467	+20%

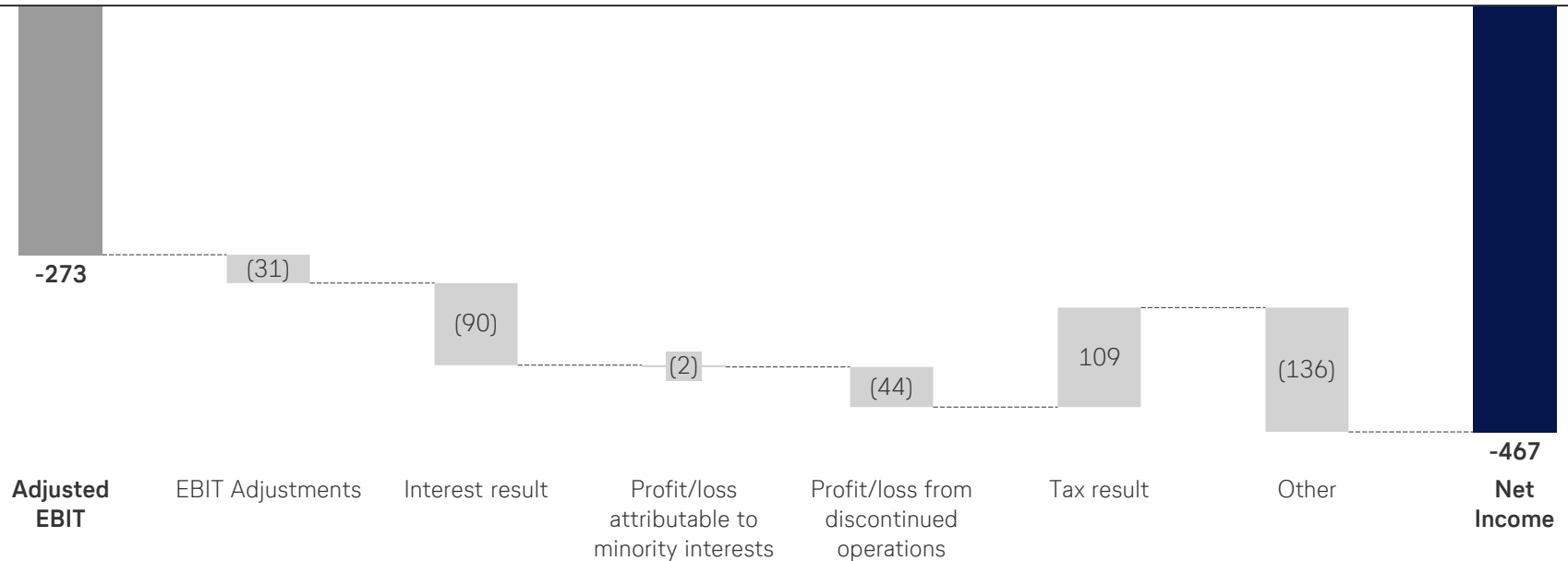
EBIT / Adjusted EBIT bridge Q1 2023

in EUR million








Adjusted EBIT / Net Income Q1 2023

in EUR million



Adjusted EBIT by Airline

Adjusted EBIT (in EUR m)		Q1 '23	Q1 '22	Change in %
Lufthansa German Airlines		-366	-715	+48.8%
SWISS		77	-62	n.m.f.
Austrian Airlines		-73	-109	+33.0%
Brussels Airlines		-43	-62	+30.6%
Eurowings		-103	-163	+36.8%
Passenger Airlines		-512	-1,114	+54.0%

Cash flow statement

Lufthansa Group (in m EUR)	Q1 '23	vs. Q1 '22 ¹
EBT (earnings before income taxes)	-575	+115
Depreciation & amortization (incl. repairable MRO materials)	+592	-24
Net proceeds from disposal of non-current assets	+8	+18
Result of equity investments	+16	-44
Net interest	+92	+9
Income tax payments/reimbursements	-11	-22
Significant non-cash-relevant expenses / income	+37	+161
Change in trade working capital	+1,547	+255
Change in other assets / liabilities	-125	-383
Operating cash flow	+1,581	+85
Capital expenditure (net)	-1,032	-402
Free cash flow	+541	-318
Adjusted Free cash flow	+482	-293
Cash and cash equivalents as of 31.03.23 excl. assets held for sale	1,282	-358
Current securities	6,929	-418
Total Group liquidity	8,361	-60

1

Positive working capital effect driven by EUR 2,070 million net cash effect from new bookings (New bookings EUR 2,314 million, reduced by EUR 244 million of related receivables). Business recovery at AirPlus increases receivables by EUR 424m.

2

Net CAPEX significantly above previous quarters due to pre-payments related to new orders and delayed aircraft deliveries originally expected in Q4 2022

¹ Changes in balance sheet items compared to year end 2022

Multi-year financial overview

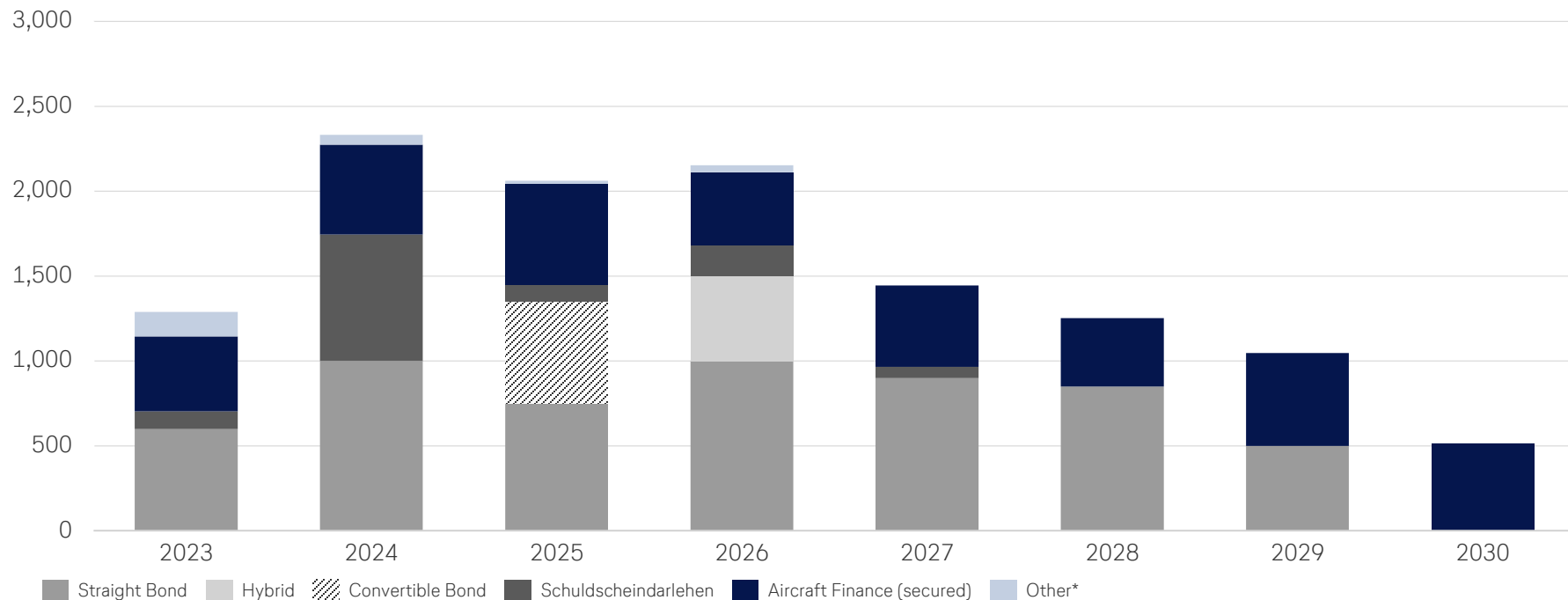
Lufthansa Group (in EUR million, as reported)	2016	2017	2018	2019 ¹	2020	2021	2022
Operating KPIs							
RASK ex currency	-5.9%	+1.9%	-0.5%	-2.5%	-26.7%	-6.1%	-6.1%
CASK ex currency, ex fuel ²	-2.5%	-1.8%	-1.7%	-1.5%	+84.6%	-25.8%	-25.8%
Profit & Loss							
Revenues	31,660	35,579	35,542	36,424	13,589	16,811	32,770
Fuel Cost	4,885	5,232	6,087	6,715	1,875	2,409	7,601
Adjusted EBIT	1,752	2,969	2,836	2,026	-5,451	-1,666	1,509
Adjusted EBIT Margin	5.5%	8.3%	8.0%	5.6%	-40.1%	-9.9%	4.6%
Balance Sheet							
Total Assets	34,697	35,778	38,213	42,659	39,484	42,538	43,335
Net Financial Debt and Pension Liabilities	11,065	8,000	9,354	13,321	19,453	15,563	8,864
Adjusted ROCE	7.0%	11.9%	10.6%	6.6%	-16.7%	-7.4%	+7.3%
Cash Flow statement							
Operating Cash Flow	3,246	5,368	4,109	4,030	-2,328	399	5,168
Capital expenditure (net)	2,108	3,251	3,859	3,448	962	1,119	2,286
Free Cash Flow ³	1,138	2,117	288	203	-3,669	-1,049	2,526

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, 2023



*Mainly bilateral loans – does not include operating leases