



# Third Quarter 2023 Results

Carsten Spohr, CEO

Remco Steenberghe, CFO

Frankfurt, 2 November 2023





The Third Quarter result makes this summer the most profitable ever in the Group's history

## Revenues



**EUR 10.3bn**

**+8%** vs. 2022

## Adjusted EBIT



**EUR 1.5bn**

**+31%** vs. 2022

## Passengers



**38m**

**+14%** vs. 2022

## Yield



**+2%**

vs. 2022

## Regularity

**98%**

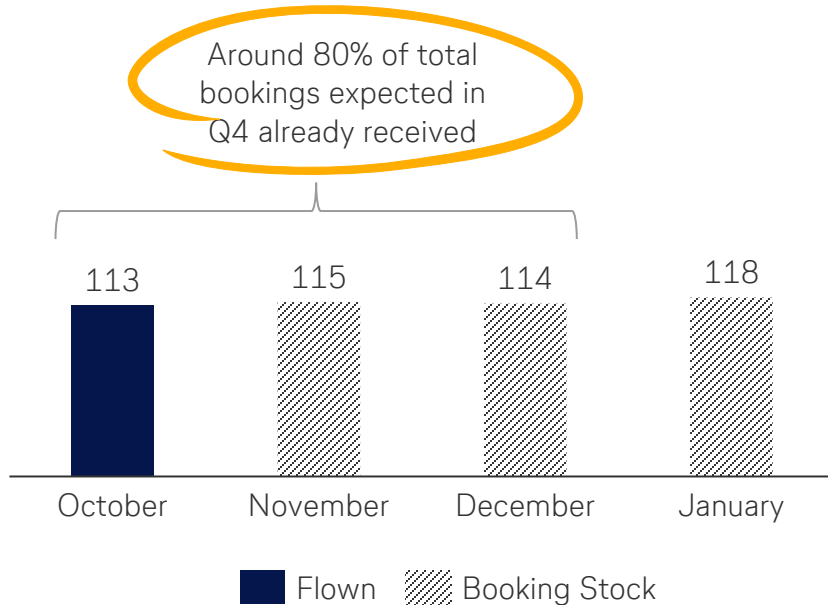
**+1pts.** vs. 2022



# Demand remains strong also beyond summer – with plenty of growth opportunities remaining

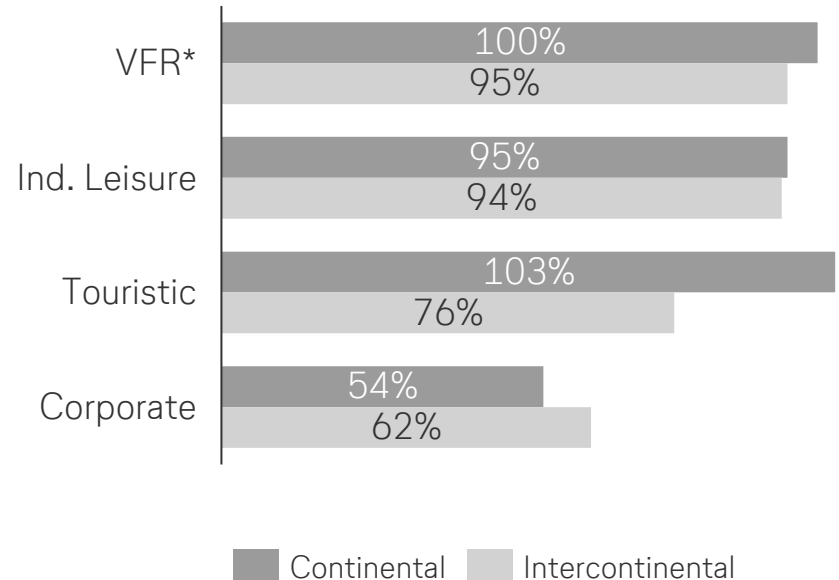
## Bookings

Pax in % vs. 2022



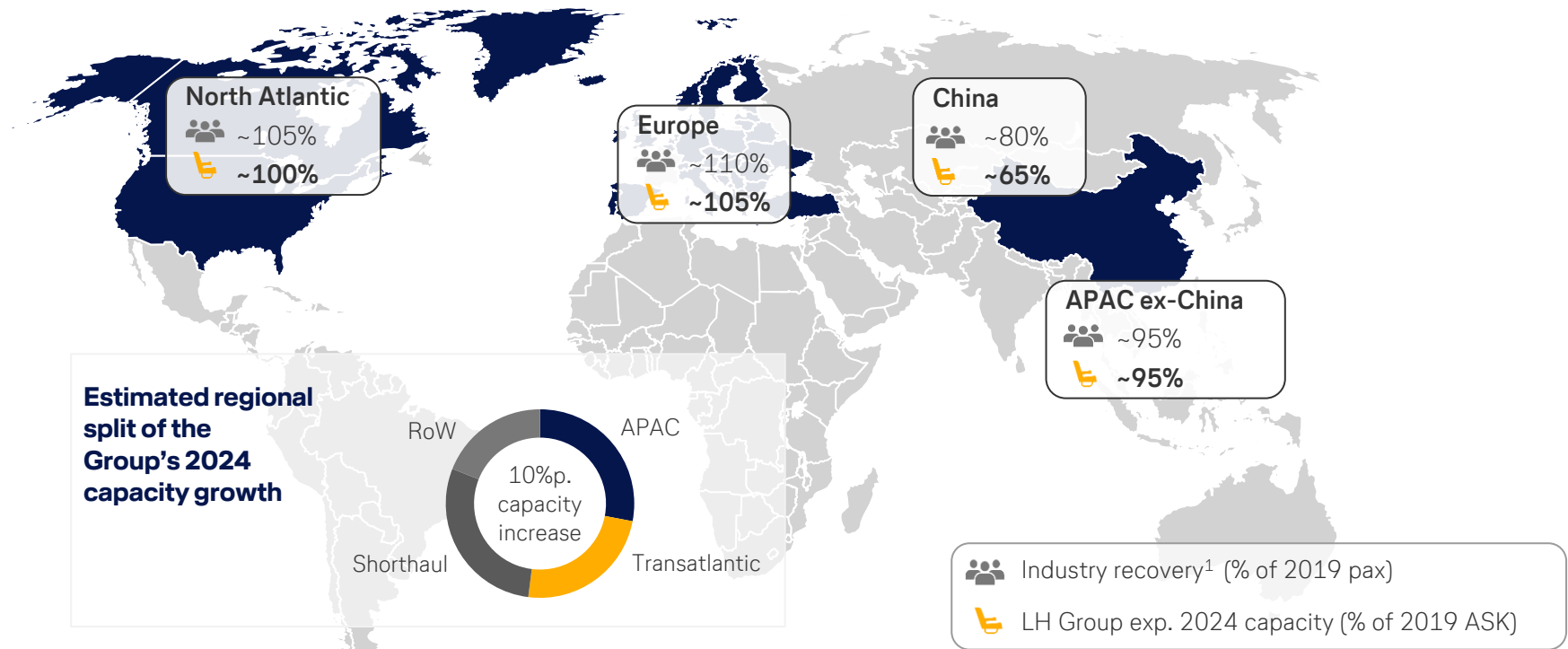
## Demand recovery by customer segment

Jul & Aug 2023, Pax in % vs. 2019



\* Visiting Friends and Relatives

# Lufthansa Group's planned capacity in 2024 compares favorably to the recovery in customer demand, supporting the unit revenue outlook



<sup>1</sup> IATA forecast for 2024 (Sep 2023), DACHB to EU for European estimate, EU to World for intercontinental business

# The Group is building on its competitive advantages in a capacity-constrained industry

## Industry-wide bottlenecks persist



Delays in new aircraft deliveries & shortages in the supply of spare parts



Engine durability issues



Training of (new) pilots and crews



ATC bottlenecks



Personnel shortages at system partners

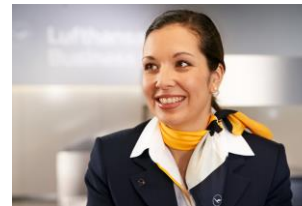
## Lufthansa Group has better access to scarce resources



Delivery of c.30 NewGen aircraft expected in 2024 based on existing orders



In-house MRO ensures access to scarce capacity



Attractive employer brand facilitates recruiting





**Allegris**

A close-up view of the Allegris lounge seat, featuring a dark blue leather-upholstered seat with a horizontal ribbed pattern. A small table is attached to the side, and a screen is mounted above the seat. The background shows the airplane's interior with large windows and a modern design.



**New  
Cabins**

A perspective view of the new airplane cabin, showing rows of light blue seats with white headrests. The cabin is bright and modern, with large windows and a clean, minimalist design.



**Customer-focused Innovation**



**Terminal 6  
at JFK**

A wide-angle view of Terminal 6 at JFK airport, showing the modern architecture with a large glass facade and a prominent circular logo. The terminal is illuminated at dusk, and cars are visible on the road in front.

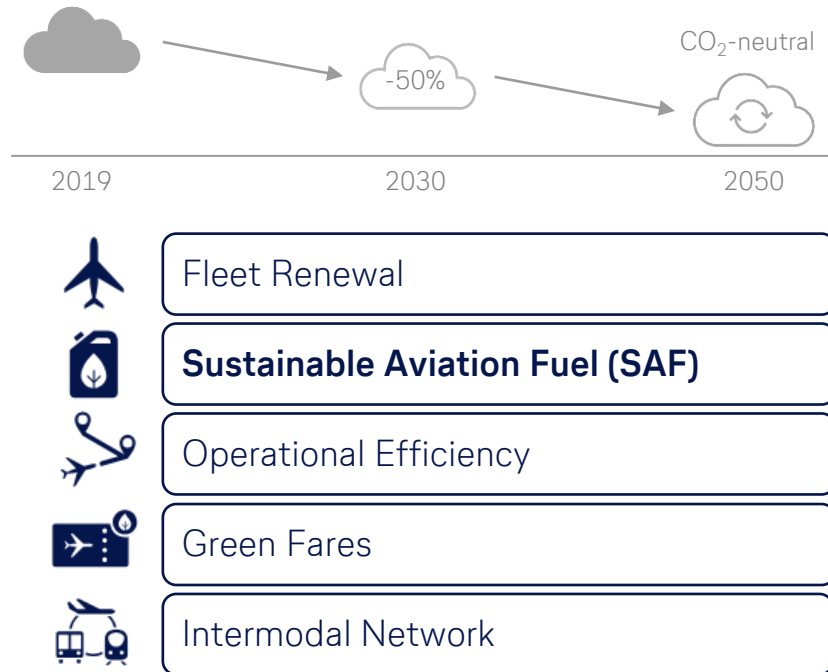


**Digital  
Offers**

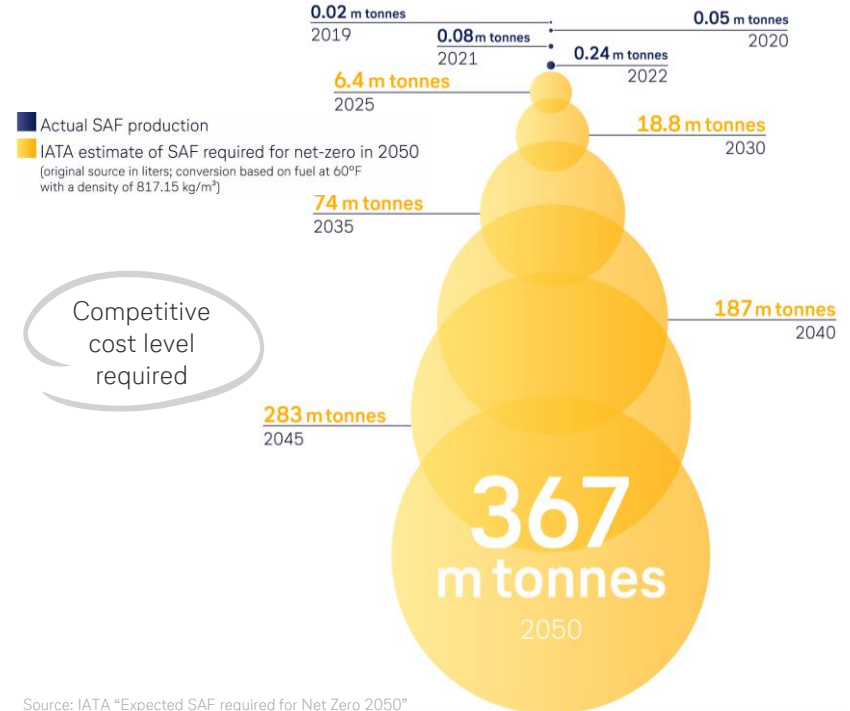
A hand holding a smartphone displaying the FlyNet logo, which includes a Wi-Fi symbol. The phone is on a tray table next to a glass of water and a small bowl of snacks, with headphones nearby.

# Lufthansa Group advocates for more research and investment in the field of sustainable aviation fuels (SAF) to enable the decarbonization of aviation

## LHG pursues ambitious climate goals



## Significant ramp-up of SAF production required





# Lufthansa Group is executing rapidly on its transformation

## Divesting non-core assets



**LSG:**  
Sale  
closed in  
October



**AirPlus:**  
Closing  
expected  
in H1  
2024

## Strengthening the core



**City  
Airlines:**  
Launch of  
new City  
Airlines

## Consolidating the European Market

**41% Investment in ITA Airways:**  
Ongoing dialogue with EU Commission,  
expected closing in early 2024



## Exploiting the full potential of MRO

**Lufthansa Technik:**  
Decision on potential divestiture of minority  
stake targeted before year-end



**Transformation into an  
even more global airline  
group**



# Third Quarter 2023 Results

**Remco Steenberg, CFO**

Frankfurt, 2 November 2023



All Q3 key figures exceed the previous year's level

(in EUR million)	Q3 '23	Q3 '22	Change in %
<b>Revenues</b>	<b>10,275</b>	<b>9,537</b>	+8
<b>Operating expenses</b>	<b>9,561</b>	<b>9,114</b>	+5
Of which fuel	2,266	2,475	-8
Of which staff	2,066	1,927	+7
Of which depreciation	558	554	+1
<b>Adjusted EBITDA</b>	<b>2,026</b>	<b>1,678</b>	+21
<b>Adjusted EBIT</b>	<b>1,468</b>	<b>1,124</b>	+31
<b>EBIT</b>	<b>1,441</b>	<b>1,118</b>	+29
<b>Net income</b>	<b>1,192</b>	<b>809</b>	+47
<b>Adjusted Free cash flow</b>	<b>592</b>	<b>410</b>	+44

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: Very strong performance over summer

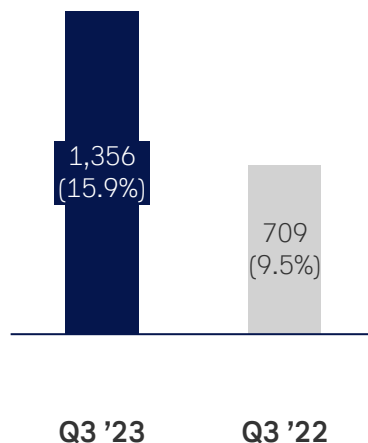


## Operational KPIs

## Adjusted EBIT/(margin) in EUR million

## Comments






	Q3 '23	vs. 2022	vs. 2019
<b>ASK</b>	<b>87,686</b>	+12.9%	-12.0%
<b>SLF</b>	<b>86.2%</b>	+0.1pts	-0.1pts
<b>Yield<sup>1</sup></b>	<b>9.8 €c</b>	+1.6%	+24.5%
<b>Short-haul</b>		+0.8%	+12.4%
<b>Long-haul</b>		+2.6%	+32.3%
<b>RASK<sup>1</sup></b>	<b>9.8 €c</b>	+0.5%	+21.2%
<b>CASK<sup>1</sup></b>	<b>5.8 €c</b>	-0.9%	+13.2%



- All Group airlines report double-digit Adj. EBIT margins as demand remains robust, especially in (premium) leisure
- Performance remains very strong across short-haul and long-haul
- Unit costs down due to better fixed cost leverage and successful mitigation of industry-wide cost inflation

<sup>1</sup> Incl. currency

# SWISS, Austrian Airlines and Brussels Airlines achieve record results in Q3

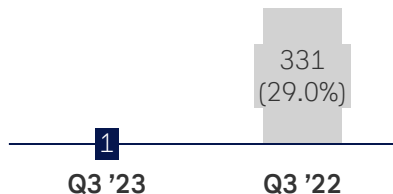
Q3 Performance		ASK vs. 2019	Revenue [m EUR]	Adj. EBIT [m EUR]	Adj. EBIT margin
Lufthansa German Airlines		-17.4%	4,755	641	13.5%
SWISS		-8.5%	1,703	327	19.2%
Austrian Airlines		-7.1%	741	129	17.4%
Brussels Airlines		-17.5%	479	71	14.8%
Eurowings		+12.9%	901	181	20.1%
Passenger Airlines		-12.0%	8,522	1,356	15.9%



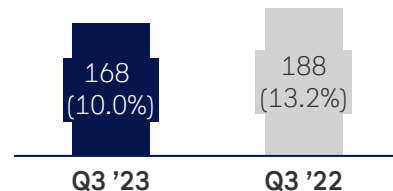
# Lufthansa Technik on course for record result – Cargo demand stabilizing

Adjusted EBIT/(margin) in EUR million

 **Lufthansa Cargo**



 **Lufthansa Technik**



**Others**



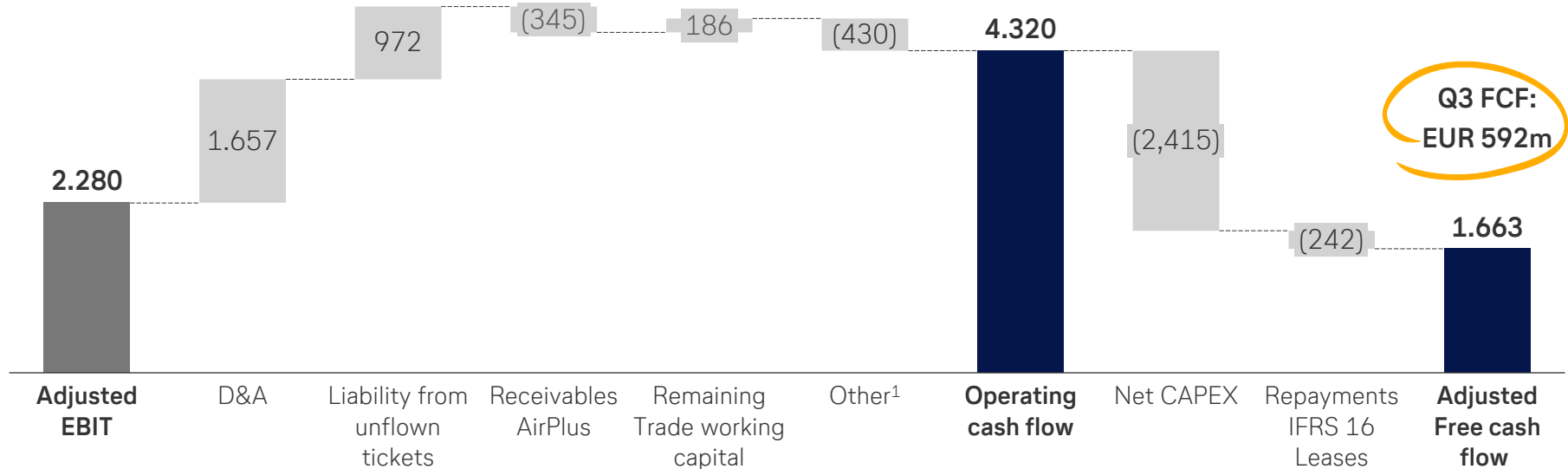
## Comments

- Cargo business impacted by weak demand in the global air cargo market in a seasonally weak quarter
- Stabilization of Cargo yields (Q3: +39% vs. 2019) and volumes indicates a bottoming out of the market
- Lufthansa Technik remains on record course despite non-recurrence of prior year one-off effects related to the strength of the US dollar

# Free cash flow performance driven by strong operating result, booking increases and strict working capital management

## YTD Adjusted EBIT / Adjusted free cash flow

in EUR million



<sup>1</sup> Incl. result from discontinued operations, other non-cash items, change in other assets & liabilities, tax

# Net debt and pension deficit decline further in Q3

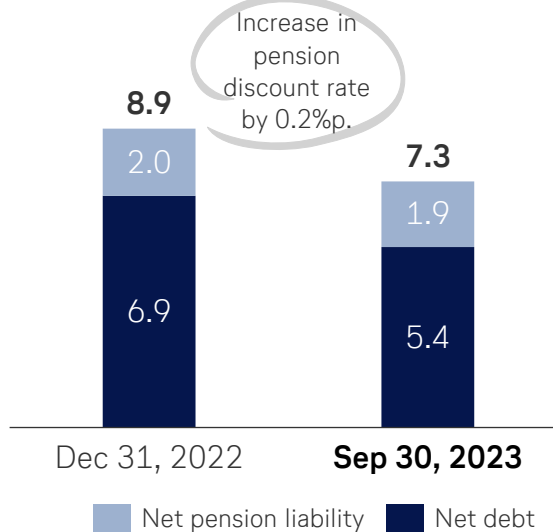
## Liquidity

EUR billion



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

EUR billion



## Comments

- Strong free cash flow generation reduces the Group's leverage ratio (Adj. net debt/Adj. EBITDA) to 1.4
- Increase in pension discount rate to 4.4% supports further reduction of net pension liabilities
- Fitch initiates coverage with an Investment Grade rating (BBB-)

Sustainable and efficient capital structure provides strategic flexibility and potential for shareholder returns

<sup>1</sup> Incl. pension plan surpluses which may not be netted according to IFRS (September 30, 2023: EUR 86m; December 31, 2022: EUR 76m)

# The forecast for fuel costs in 2023 has increased due to the rising oil price - a high hedge ratio offers good protection in 2024

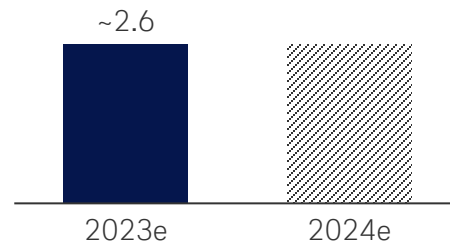
## Expected fuel cost sensitivity after hedging (FY 2023)<sup>1</sup>



	Q4e	FY 2023e
Jet fuel volume (mTons)	2.3	8.9
Hedge ratio Crude	86% @ 90 \$/bbl. Break-even	
Hedge ratio Jet Crack	53% @ 25 \$/bbl. Break-even	

## Fuel unit costs expected to be stable in 2024

**Fuel unit costs**  
in €-cent per ASK



	FY 2024
Hedge ratio	74%
Mixed LH Group Jet Fuel rate <sup>4</sup> (\$/mt)	951

<sup>1</sup> Passenger Airlines and Logistics (as of October 27, 2023), including existing hedges, based on EURUSD rate of 1.06

<sup>2</sup> Average 2023 Brent ICE Crude Oil future in USD/barrel (October 27, 2023: 89.90 USD/bbl)

<sup>3</sup> Average 2023 Jet Crack future (October 27, 2023: 27 USD/bbl)

<sup>4</sup> Expected price-to-pay based on current hedging and market forward prices as of October 27, 2023, incl. into-plane charge

# Financial outlook for 2023 reconfirmed



## Full Year 2023



**Capacity (ASK)**

Around 85% of 2019 levels  
(Q4 2023: c. 91%)



**Adjusted EBIT**

Above EUR 2.6bn



**Adjusted Free Cashflow**

Significantly positive



**Net CapEx**

EUR 2.5 - 3.0bn



# The Group is confident to further improve performance in 2024

## Key assumptions for 2024



Mid-single digit %-rate cost inflation  
(before mitigation measures)



Solid demand growth



Increase of capacity to c. 95% of 2019



Further system-wide operational  
stabilization



Efficiency program to reduce current  
~10% productivity gap to pre-crisis levels

**Adjusted EBIT margin**

At least 8%

**Adjusted ROCE**

At least 10%

# **Appendix**

- supplementary information -

# Traffic Data

		Jul	vs.2019	Aug	vs.2019	Sep	vs.2019	Q3	vs.2019
Total Lufthansa Group Airlines	Passengers in 1,000	12,979	-11.2%	12,682	-10.5%	12,510	-10.5%	38,171	-10.7%
	Available seat-kilometers (m)	29,724	-12.1%	29,401	-12.4%	28,562	-11.4%	87,686	-12.0%
	Revenue seat-kilometers (m)	25,915	-11.8%	25,280	-13.7%	24,420	-10.7%	75,615	-12.1%
	Passenger load-factor (%)	87.2	+0,2pts	86.0	-1,3pts	85.5	+0,7pts	86.2	-0,1pts
	Available Cargo tonne-kilometers (m)	1,433	-6.3%	1,377	-9.5%	1,326	-10.8%	4,136	-8.8%
	Revenue Cargo tonne-kilometers (m)	736	-18.0%	709	-20.5%	742	-16.6%	2,188	-18.4%
	Cargo load-factor (%)	51.4	-7,3pts	51.5	-7,1pts	56.0	-3,9pts	52.9	-6,2pts
	Number of flights	92,685	-16.7%	91,991	-15.2%	91,375	-16.1%	276,051	-16.0%

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

Total	Q3'23
Number of flights	-16.0%
ASK	-12.0%
RPK	-12.1%
SLF	-0.1pts.

Yield	+24.5%
Yield vs 2022	+1.6%
Yield ex currency vs 2022	+3.9%
RASK	+21.2%
RASK ex currency vs 2022	+2.7%
CASK ex. fuel, ex. emissions cost	+13.2%
CASK ex. fuel, ex. emissions cost vs 2022	-0.9%
CASK ex currency, ex fuel, ex emissions cost vs 2022	+0.1%

Europe	Q3'23
ASK	-2.2%
RPK	-0.5%
SLF	+1.5pts.
RASK incl. currency <sup>1)</sup>	+14.5%

Americas	Q3'23
ASK	-13.6%
RPK	-14.2%
SLF	-0.6pts.
RASK incl. currency <sup>1)</sup>	+28.4%

North America	+25.5%
South America	+39.6%

Asia / Pacific	Q3'23
ASK	-37.4%
RPK	-38.4%
SLF	-1.5pts.
RASK incl. currency <sup>1)</sup>	+43.3%

Middle East / Africa	Q3'23
ASK	+6.7%
RPK	+5.7%
SLF	-0.8pts.
RASK incl. currency <sup>1)</sup>	+19.2%

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

# Calculation of operational airline KPIs

## Passenger Airlines, Q3 2023

Yield	1) Traffic revenues (€m)	8,108
	2) Not assignable (€m)	723
	= 3) Basis for Yield (1)-(2) (€m)	7,385
	4) RPK (m) <sup>1</sup>	75,615
	<b>Yield (3/4)*100 (€c)</b>	<b>9.8</b>

RASK	1) Total Revenues (€m)	8,522
	2) Other operating income (€m)	288
	3) Reversal of provisions (€m)	19
	4) FX losses (€m)	-168
	= 5) Basis for RASK (1)+(2)-(3)+(4) (€m)	8,623
	6) ASK (m) <sup>2</sup>	87,686
	<b>RASK (5/6)*100 (€c)</b>	<b>9.8</b>

CASK	1) Total operating expenses (€m)	-7,543
	2) Reversal of provisions (€m)	19
	3) FX losses (€m)	-168
	4) Fuel expenses (€m)	-2,166
	5) Emission Trading (€m)	-83
	= 6) Basis for CASK (1)+(2)-(3)-(4)-(5) (€m)	-5,106
	7) ASK (m) <sup>2</sup>	87,686
	<b>CASK -(6)/(7)*100 (€c)</b>	<b>5.8</b>

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

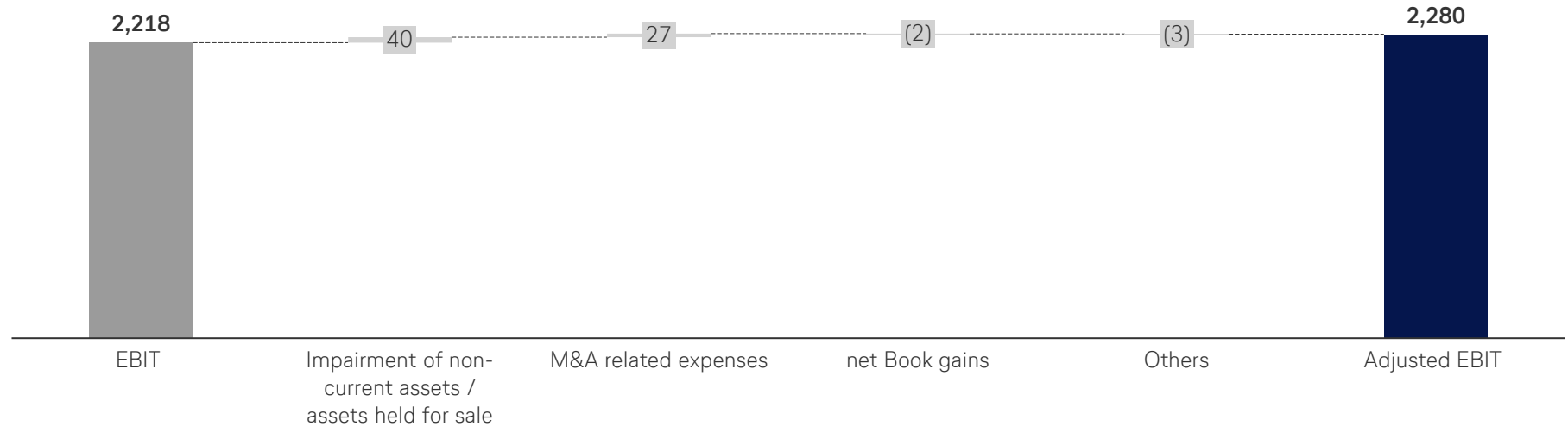


# Group P&L

Lufthansa Group (in EUR m)	Q3 '23	vs. Q3 '22
Revenues	10,275	+8%
Total operating income	10,901	+7%
Operating expenses	9,561	+5%
Of which fees & charges	1,249	+16%
Of which fuel	2,266	-8%
Of which staff	2,066	+7%
Of which depreciation	558	+1%
Result from equity investments	128	+137%
<b>Adjusted EBIT</b>	<b>1,468</b>	<b>+31%</b>
<b>Adjusted EBIT Margin</b>	<b>14.3%</b>	<b>+2.5 pts.</b>
Adjustments	-27	+350%
<b>EBIT</b>	<b>1,441</b>	<b>+29%</b>
Net interest income	-76	+19%
Other financial items	124	+158%
<b>EBT</b>	<b>1,489</b>	<b>+39%</b>
Income taxes	-288	-10%
Profit / loss from discontinued operations	1	-6,667%
Profit / loss attributable to minority interests	-10	-150%
<b>Net income</b>	<b>1,192</b>	<b>+47%</b>

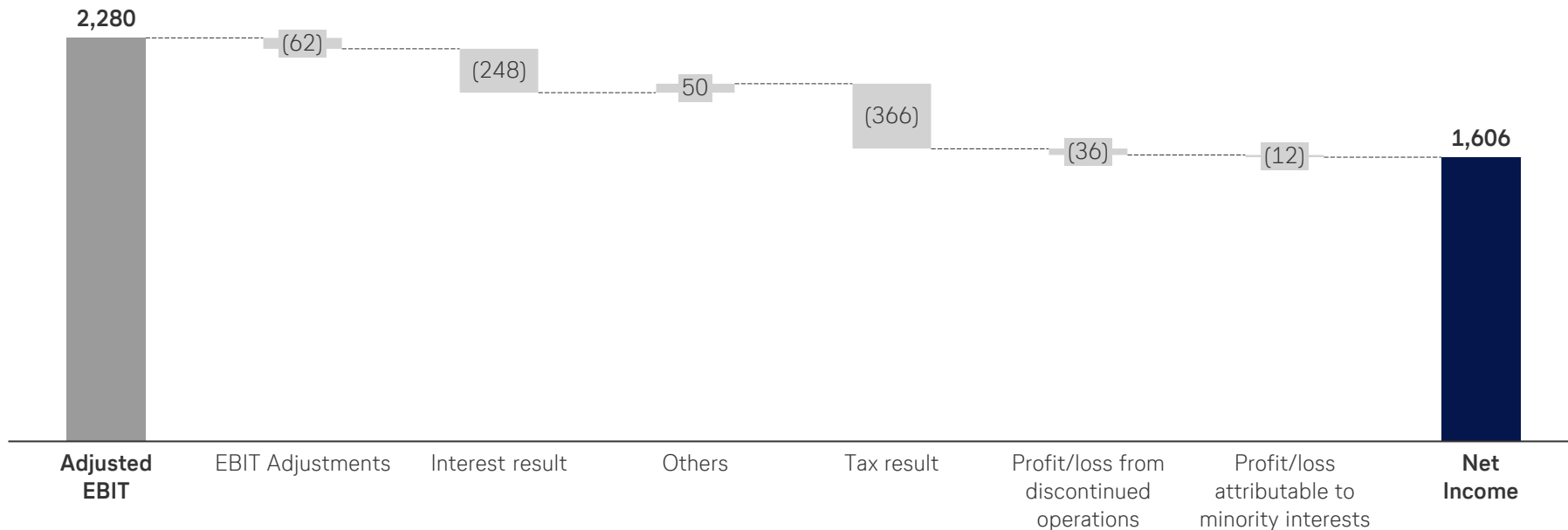
# EBIT / Adjusted EBIT bridge Jan - Sep 2023

in EUR million








# Adjusted EBIT / Net Income Jan - Sep 2023

in EUR million



# Adjusted EBIT by Airline

Adjusted EBIT (in EUR m)		Q3 '23	Q3 '22	Change in %	9M '23	9M '22	Change in %
Lufthansa German Airlines 		641	224	186	790	-574	n.m.f.
SWISS 		327	234	40	676	279	142
Austrian Airlines 		129	110	17	144	4	3,500
Brussels Airlines 		71	52	37	59	-37	n.m.f.
Eurowings 		181	103	76	147	-136	n.m.f.
Passenger Airlines		1,356	709	91	1,809	-491	n.m.f.

# Cash flow statement

Lufthansa Group (in m EUR)	Q3 '23	vs. Q3 '22 <sup>1</sup>
<b>EBT</b> (earnings before income taxes)	<b>1,536</b>	<b>+458</b>
Depreciation & amortization (incl. repairable MRO materials)	+563	+10
Net proceeds from disposal of non-current assets	+9	+16
Result of equity investments	-132	-79
Net interest	+78	-17
Income tax payments/reimbursements	+36	-29
Significant non-cash-relevant expenses / income	-154	-64
Change in trade working capital	-866	-248
Change in other assets / liabilities	+150	+286
<b>Operating cash flow</b>	<b>+1,220</b>	<b>+333</b>
Capital expenditure (net)	-550	-178
<b>Free cash flow</b>	<b>+670</b>	<b>+155</b>
<b>Adjusted Free cash flow</b>	<b>+592</b>	<b>+182</b>
Cash and cash equivalents as of 30.09.23 excl. assets held for sale	+1,692	-749
Current securities	+7,197	-79
Total Group liquidity	+8,889	-828

①

②

③

1

Significant improvement in the operating result compared to the previous year

2

Decline versus prior year reflects non-recurrence of exceptionally strong cash inflow due to the post-pandemic recovery in bookings in the prior year

3

Mainly related to pre-payments and new aircraft deliveries

<sup>1</sup> 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 <sup>1</sup>	2020	2021	2022 <sup>4</sup>
<b>Operating KPIs</b>							
RASK ex currency	-5.9%	+1.9%	-0.5%	-2.5%	-26.7%	-6.1%	-6.1%
CASK ex currency, ex fuel <sup>2</sup>	-2.5%	-1.8%	-1.7%	-1.5%	+84.6%	-25.8%	-25.8%
<b>Profit &amp; Loss</b>							
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%
<b>Balance Sheet</b>							
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%
<b>Cash Flow statement</b>							
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 <sup>3</sup>	1,138	2,117	288	203	-3,669	-1,049	2,526

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

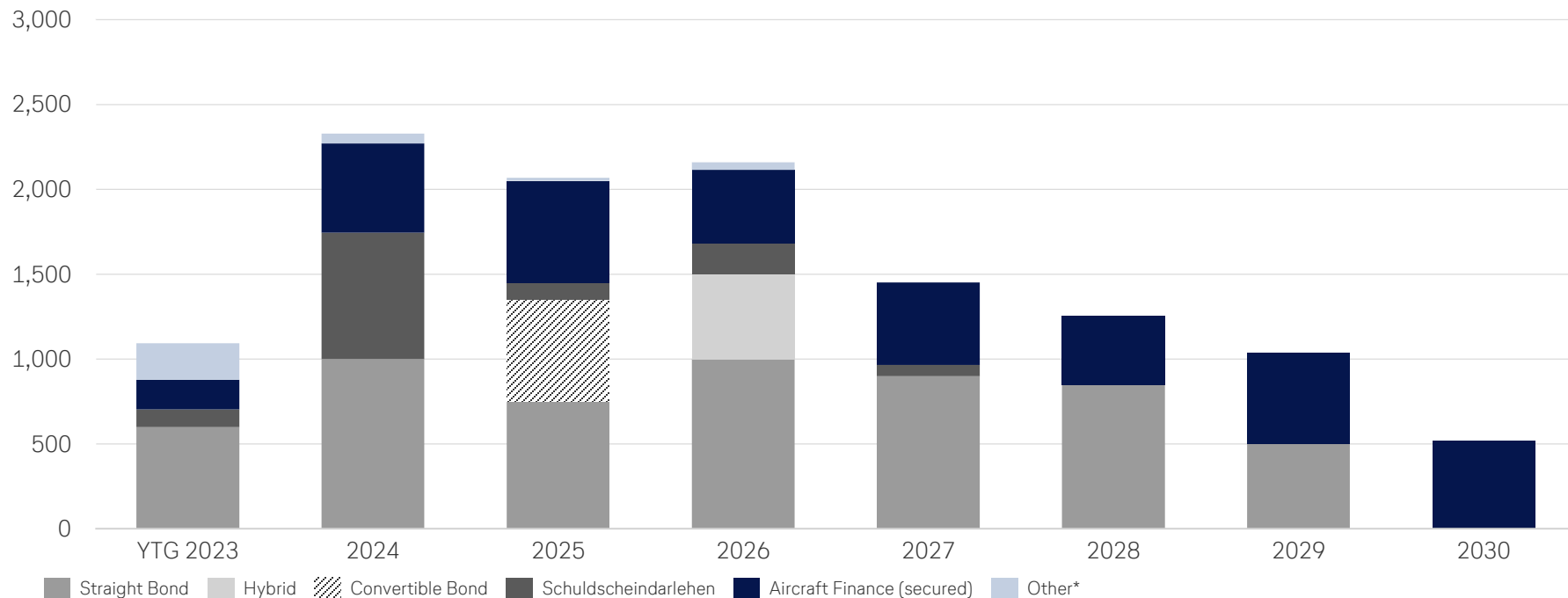
<sup>2</sup> Adjusted for pension effects in 2016 and 2017 as a result from the change from defined benefit to defined contribution

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

<sup>4</sup> 2022 figures as reported (excl. adjustment for discontinued operations).

# Maturity profile of borrowings as of September 30, 2023

in EUR million



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