

# Deutsche Lufthansa AG

Deutsche Lufthansa AG's ratings reflect its strong position in the global aviation industry as the largest European airlines group by fleet and revenue. The group also benefits from its leading position in cargo and maintenance, repair and overhaul (MRO), which helps to partly offset business cyclicality. The rating considers the airline's subdued profitability and moderate EBITDAR net leverage, which are balanced by strong liquidity.

Operational issues in 2024, including industrial action in 1H24, softer yields and delays in aircraft deliveries drove leverage higher, although it remains within the rating sensitivities. Fitch Ratings expects profitability to gradually improve on normalisation of operations and cost-cutting initiatives, leading to credit metrics remaining commensurate with sensitivities over the medium term.

## Key Rating Drivers

**Robust Business Profile:** Lufthansa has a worldwide leading market position, supported by a diverse multi-brand network and multi-hub strategy across major European cities. Its world-leading cargo and MRO businesses provide significant synergies and mitigate market cyclicality. In particular, demand for Lufthansa Technik's MRO services continues to benefit from delayed aircraft deliveries and ongoing issues with Pratt & Whitney's geared turbofan (P&W GTF) engines.

**EBITDAR Growth to Resume:** We expect moderate growth in EBITDAR in 2025 and a slight improvement in profitability following a decline in 2024 due mostly to a labour dispute, weakness in yields and operational inefficiencies also due to delayed aircraft deliveries. Its Lufthansa airlines business was the key driver of the weakness in 2024, and management expect it to improve significantly, in particular from 2026, driven by better yields on product improvements, network efficiencies and cost reduction.

We include in our forecasts a partial benefit from the group's efficiency plan. Our 2025 EBITDAR forecast of EUR4.3 billion reflects a partial recovery of profitability, broadly flat yields and only moderate benefit from lower fuel prices due to previous hedges locking in higher costs. We expect more meaningful improvements in 2026 from cost-cutting measures, further benefit from fuel prices remaining at around current levels, and steady profit growth at cargo and Technik.

**Conservative Growth Plan:** Lufthansa has a large new aircraft order book consisting of 244 aircraft (of which 100 are long haul) to be delivered over the next seven years plus options to buy another 182 new planes. However, most of these aircraft will be used for replacement, thereby limiting net capacity growth, but they will improve efficiency through an increasing newer technology share of the fleet.

Fitch estimates gross capex of over EUR5 billion a year till 2028, which we anticipate will be primarily financed with own cash. As a result, the group will have one of the largest owned unencumbered asset portfolios in the sector, strongly underpinning the rating.

**Gradual Deleveraging:** Lufthansa's Fitch-adjusted EBITDAR gross and net leverage were within their negative sensitivities at end-2024 at 3.4x and 1.6x, respectively. We forecast adjusted EBITDAR leverage to fall gradually to near 3.0x by 2027 as EBITDAR growth will be partly offset by higher debt to support capex. We expect adjusted EBITDAR net leverage to be broadly stable at 1.5–2.0x, based on our reasonably conservative forecasts.

## Ratings

Long-Term Issuer Default Rating	BBB-
Senior unsecured debt – Long-Term Rating	BBB-
Subordinated Long-Term Rating	BB

## Outlook

Long-Term Foreign-Currency Issuer Default Rating	Stable
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[Click here for the full list of ratings](#)

## ESG and Climate

### Highest ESG Relevance Scores

Environmental	3
Social	3
Governance	3

2035 Climate Vulnerability Signal: 45

## Applicable Criteria

[Corporates Recovery Ratings and Instrument Ratings Criteria \(August 2024\)](#)

[Sector Navigators – Addendum to the Corporate Rating Criteria \(June 2025\)](#)

[Corporate Hybrids Treatment and Notching Criteria \(April 2025\)](#)

[Corporate Rating Criteria \(June 2025\)](#)

## Related Research

[Global Corporates Macro and Sector Forecasts](#)

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**Prudent Financial Policy:** Lufthansa is publicly committed to maintaining its investment-grade rating. It reported net leverage (including net pension liability) at 2.0x at end-2024 (1.7x at end-March 2025) that translated into 1.6x in EBITDAR net leverage as calculated by Fitch, which is close to the 1.5x positive rating sensitivity for the rating. Low leverage, alongside strong liquidity and a large, unencumbered asset base form part of Lufthansa’s conservative financial policy.

**Potential Acquisitive Growth:** Lufthansa completed the acquisition of 41% stake in ITA Airways for EUR325 million in January 2025 and has the option to proceed with a full takeover of ITA. Our forecast assumes that it will retain its 41% stake with no further share acquisition. Lufthansa also acquired a 10% financial stake in Air Baltic Corporation AS (B-/Negative) for EUR14 million, which we do not expect to increase. TAP Air Portugal is a potential target, which will help strengthen the group’s position on the high-demand LatAm routes. Our forecast does not include further acquisitions, although Lufthansa’s strong balance sheet is capable of absorbing moderate deals.

**Wider Industry Risks Remain:** Our forecasts include conservative assumptions to account for risks related to operational constraints (delays in aircrafts deliveries and slower capacity increase), travel demand fatigue and risks from potentially higher unit costs due to external factors. Lufthansa is not severely affected by the P&W GTF engine issues. We expect EMEA air travel demand to continue growing in the mid-single digits and the impact from softness on the Europe-North America routes to be limited, while the underlying strong trend in the Middle East could be periodically jeopardised by geopolitical considerations.

## Financial Summary

(EURm)	2022	2023	2024	2025F	2026F	2027F
EBITDAR	3,509	4,677	4,036	4,289	5,365	6,136
EBITDAR margin (%)	10.7	13.2	10.7	11.0	13.0	14.0
FCF margin (%)	4.4	-1.0	-4.1	–	–	–
EBITDAR leverage (x)	4.2	2.9	3.4	3.3	3.2	3.0
EBITDAR net leverage (x)	1.9	1.3	1.6	1.7	1.8	1.9
EBITDAR fixed-charge coverage (x)	2.9	3.9	2.8	2.9	3.2	3.3

Source: Fitch Ratings, Fitch Solutions

## Peer Analysis

Lufthansa is the largest EMEA airlines group by fleet size and revenue. It benefits from a strong position in cargo and MRO, mainly in Europe and North America. As a multi-brand group, Lufthansa compares well with IAG and Air France KLM (AFKLM; BBB-/Stable) due to its diversified hub structure and extensive route network.

AFKLM is Lufthansa’s closest peer due to its strong respective hub positions with geographic proximity. Both companies operate passenger, cargo and MRO businesses, but Lufthansa remains the leader in each. However, AFKLM has had a faster recovery from the pandemic, better profitability and greater geographic diversification globally. We view their business profiles as largely comparable.

British Airways Plc (BBB/Stable; SCP: bbb-) compares well with Lufthansa in terms of its strong hub position in the UK and diversified network. We view Lufthansa’s overall business profile as slightly stronger because of its larger size and better business mix. However, British Airways benefits from IAG’s strong credit profile on the back of lower leverage and a tighter financial policy.

Turk Hava Yollari Anonim Ortakligi (BB/Stable) also operates passenger, cargo and MRO businesses but remains relatively smaller than the German airline. Lufthansa has a stronger business profile due to its more favourable geographic position with a better operating environment. Turkish Airlines is rated one notch above Turkiye’s Country Ceiling.

## Navigator Peer Comparison

	IDR/Outlook	Operating Environment	Management and Corporate Governance	Diversification	Market Position	Management Strategy/Effectiveness	Cost Position	Profitability	Financial Structure	Financial Flexibility
Air Baltic Corporation AS	B-/Negative	a-	bb+	bb-	bb-	bb-	bb	b+	b-	b-
Air Canada	BB/Stable	aa-	a	bbb-	bb+	bb+	bb-	bb-	bb-	bb
Air France KLM	BBB-/Stable	aa-	a	bbb+	bbb-	bbb-	bb+	bb	bb+	bbb-
American Airlines Group Inc.	B+/Stable	aa-	bbb+	bbb	bb+	bb	bb	bb-	b	bb-
British Airways Plc	BBB/Stable	aa-	a-	bbb	bbb-	bbb	bb+	bb+	bbb-	bbb-
Delta Air Lines, Inc.	BBB-/Stable	aa	a+	bbb	bb+	bbb-	bb	bb+	bbb-	bbb-
Deutsche Lufthansa AG	BBB-/Stable	aa-	a	bbb+	bbb-	bbb-	bb+	bb-	bbb-	bbb-
Pegasus Hava Tasimaciligi A.S.	BB-/Positive	bb-	bbb-	bb	bbb-	bbb-	bbb	bbb	b+	bb-
Ryanair Holdings plc	BBB+/Stable	aa-	a-	bbb	bbb	bbb	bbb	bbb	bbb+	bbb+
Turk Hava Yollari Anonim Ortakligi (Turkish Airlines)	BB/Stable	bb	bbb	bbb-	bbb-	bb+	bbb-	bb	bb	bb+
United Airlines Holdings, Inc.	BB/Positive	aa	a	bbb	bb+	bb	bb	bb+	bb-	bb+
Wizz Air Holdings Plc	BB/Stable	a-	bbb	bbb-	bbb	bbb-	bbb-	bb+	bb-	bb+

Source: Fitch Ratings

Relative Importance of Factor: Higher (Red), Moderate (Blue), Lower (Light Blue)

Name	IDR/Outlook	Operating Environment	Management and Corporate Governance	Diversification	Market Position	Management Strategy/Effectiveness	Cost Position	Profitability	Financial Structure	Financial Flexibility
Air Baltic Corporation AS	B-/Negative	+9	+5	+3	+3	+3	+4	+2	0	0
Air Canada	BB/Stable	+8	+6	+2	+1	+1	-1	-1	-1	0
Air France KLM	BBB-/Stable	+6	+4	+2	0	0	-1	-2	-1	0
American Airlines Group Inc.	B+/Stable	+10	+6	+5	+3	+2	+2	+1	-1	+1
British Airways Plc	BBB/Stable	+5	+2	0	-1	0	-2	-2	-1	-1
Delta Air Lines, Inc.	BBB-/Stable	+7	+5	+1	-1	0	-2	-1	0	0
Deutsche Lufthansa AG	BBB-/Stable	+6	+4	+2	0	0	-1	-3	0	+1
Pegasus Hava Tasimaciligi A.S.	BB-/Positive	0	+3	+1	+3	+3	+4	+4	-1	0
Ryanair Holdings plc	BBB+/Stable	+4	+1	-1	-1	-1	-1	-1	0	0
Turk Hava Yollari Anonim Ortakligi (Turkish Airlines)	BB/Stable	0	+3	+2	+2	+1	+2	0	0	+1
United Airlines Holdings, Inc.	BB/Positive	+9	+6	+3	+1	+1	0	+1	-1	+1
Wizz Air Holdings Plc	BB/Stable	+5	+3	+2	+3	+2	+2	+1	-1	+1

Source: Fitch Ratings

Factor Score Relative to IDR: Worse positioned than IDR (Red), Within one notch of IDR (Blue), Better positioned than IDR (Light Blue)

## Rating Sensitivities

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- EBITDAR margin consistently below 11%
- EBITDAR net leverage above 2.5x and EBITDAR leverage above 3.5x
- EBITDAR fixed charge coverage below 2.8x for an extended period
- Weaker-than-expected business recovery or aggressive external growth materially beyond our current expectations

### Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- EBITDAR margin sustained above 15%
- EBITDAR net leverage below 1.5x and EBITDAR leverage below 2.5x, supported by a financial policy

## Liquidity and Debt Structure

Lufthansa had over EUR7.5 billion of Fitch-adjusted available liquidity at end-June 2025, including EUR1.8 billion of cash. This is complemented by a EUR2.5 billion sustainability-linked revolving credit facility signed in 2024 with a five-year tenor and two one-year extension options. This compares well with about EUR1.57 billion of 2025 debt maturities, excluding leases debt repayment and negative free cash flow of EUR1.3 billion expected for 2025.

In January 2025, Lufthansa issued a EUR0.5 billion hybrid to be used to repay an existing hybrid of the same amount issued in 2015. It has a prudent liquidity policy aimed at maintaining EUR8 billion–10 billion of liquidity, which is a key reason for our focus on net leverage.

## ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

## Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's [Corporate Rating Criteria](#). For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see [Climate Vulnerability Signals for Non-Financial Corporate Sectors](#).

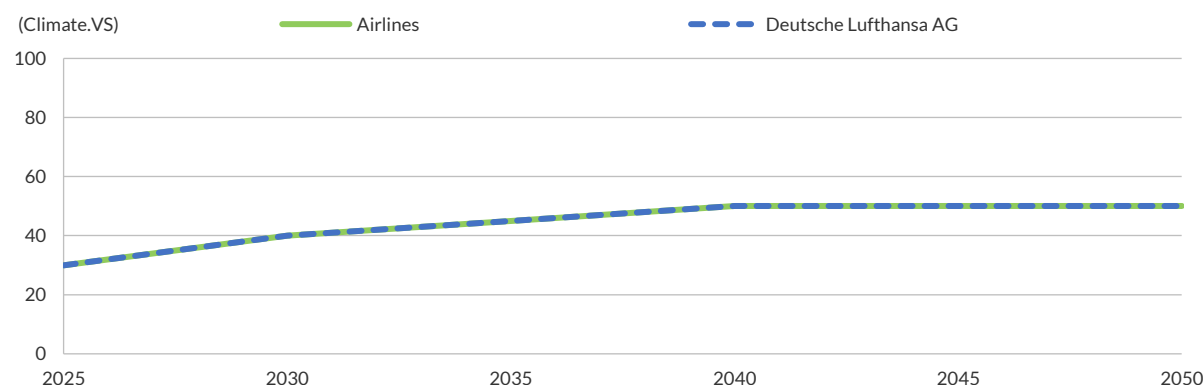
The December 2024 revenue-weighted Climate.VS for Lufthansa for 2035 is 45 out of 100, suggesting high exposure to climate-related risks in that year. This is in line with other airlines and reflects the gradually growing costs linked to the decarbonisation of the sector. Climate transition risks do not have a material influence on airline ratings, including Lufthansa's, because the potentially disruptive changes due to transition are unlikely to materialise in the next 8–10 years. Incremental costs such as carbon offsetting (EU Emissions Trading System) and sustainable aviation fuel (SAF) usage apply not only to Lufthansa but also the rest of its peer group, and we include these costs in our forecasts.

Lufthansa has committed to halve its net carbon emission by 2030 compared against 2019 and achieving a neutral CO<sub>2</sub> balance by 2050. Lufthansa aims to reach its 2030 target thanks to a mix of carbon reduction (through fleet renewal, SAF and operational efficiency totalling about one-third of this target) and compensation (Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and voluntary compensation, together contributing two-thirds).

Lufthansa is gradually increasing its share of SAF in its fuel mix in accordance with the EU regulation. Additionally, the company works with partners to develop SAF availability and commercial agreements to ensure long-term supply. We view the company's 2030 target as achievable, although subject to aircraft deliveries remaining on target over this period and CORSIA implementation. Lufthansa's 2050 target achievement will depend upon alternate propulsion technologies that are still under development.

## Climate.VS Evolution

As of 31 December 2024



Source: Fitch Ratings

## Liquidity and Debt Maturities

### Liquidity Analysis

(EURm)	2025F	2026F	2027F
<b>Available liquidity</b>			
Beginning cash balance	7,460	4,735	2,426
Rating case FCF after acquisitions and divestitures	-1,206	-659	-1,701
<b>Total available liquidity (A)</b>	<b>6,254</b>	<b>4,076</b>	<b>725</b>
<b>Liquidity uses</b>			
Debt maturities	-1,519	-1,650	-950
<b>Total liquidity uses (B)</b>	<b>-1,519</b>	<b>-1,650</b>	<b>-950</b>
<b>Liquidity calculation</b>			
Ending cash balance (A+B)	4,735	2,426	-225
Revolver availability	2,600	2,600	2,600
<b>Ending liquidity</b>	<b>7,335</b>	<b>5,026</b>	<b>2,375</b>
Liquidity score (x)	5.8	4.0	3.5

Source: Fitch Ratings, Fitch Solutions, Deutsche Lufthansa AG

### Scheduled Debt Maturities

(EURm)	31 Dec 2024
2025	1,519
2026	1,650
2027	950
2028	1,376
2029	500
Thereafter	1,332
<b>Total</b>	<b>7,327</b>

Source: Fitch Ratings, Fitch Solutions, Deutsche Lufthansa AG

## Key Assumptions

- Capacity growth in line with management assumptions
- Yield up 1% in 2025 and 0.5% a year to 2028
- Load factor stable at 82.7%
- Continued growth in cargo and MRO EBITDARs in the high single digits
- Group EBITDAR margin improving to 14% by 2027, with a further slight increase in 2028
- Jet fuel price of about USD800/mt from 2026, including fuel sustainability-related costs
- Fitch estimated gross capex over EUR5 billion a year until 2028
- Average cash dividends of EUR400 million a year until 2027, and increasing to EUR500 million in 2028

## Financial Data

(EURm)	2022	2023	2024	2025F	2026F	2027F
<b>Summary income statement</b>						
Gross revenue	32,770	35,442	37,581	39,047	41,113	43,824
Revenue growth (%)	94.9	8.2	6.0	3.9	5.3	6.6
EBITDA before income from associates	2,426	3,756	2,865	3,148	4,038	4,673
EBITDA margin (%)	7.4	10.6	7.6	8.1	9.8	10.7
EBITDA after associates and minorities	2,488	3,838	2,966	3,249	4,139	4,774
EBITDAR	3,509	4,677	4,036	4,289	5,365	6,136
EBITDAR margin (%)	10.7	13.2	10.7	11.0	13.0	14.0
EBIT	1,016	2,252	1,316	1,534	2,113	2,602
EBIT margin (%)	3.1	6.4	3.5	3.9	5.1	5.9
Gross interest expense	-272	-398	-273	-355	-387	-427
Pretax income including associate income/loss	1,050	2,317	1,576	1,464	2,003	2,455
<b>Summary balance sheet</b>						
Readily available cash and equivalents	8,070	7,501	7,460	7,054	7,175	7,054
Debt	8,113	7,373	7,327	8,627	9,407	10,987
Net debt	43	-128	-133	1,573	2,232	3,933
Lease-adjusted debt	14,964	13,743	14,012	14,645	17,226	18,983
<b>Summary cash flow statement</b>						
EBITDA	2,426	3,756	2,865	3,148	4,038	4,673
Cash interest paid	-163	-305	-332	-355	-387	-427
Cash tax	-288	-92	-181	-377	-438	-585
Dividends received less dividends paid to minorities (inflow/outflow)	62	82	101	101	101	101
Other items before FFO	253	-122	-493	-312	-329	-351
FFO	2,327	3,485	2,254	2,355	3,126	3,556
FFO margin (%)	7.1	9.8	6.0	6.0	7.6	8.1
Change in working capital	1,633	231	470	618	554	676
CFO (Fitch-defined)	3,960	3,716	2,724	2,973	3,680	4,232
Total non-operating/nonrecurring cash flow	-	-	-	-	-	-
Capex	-2,508	-4,082	-3,898	-	-	-
Capital intensity (capex/revenue) (%)	7.7	11.5	10.4	-	-	-
Common dividends	-	-	-359	-	-	-
FCF	1,452	-366	-1,533	-	-	-
FCF margin (%)	4.4	-1.0	-4.1	-	-	-
Net acquisitions and divestitures	108	1,029	878	-	-	-
Other investing and financing cash flow items	-262	1,673	2,193	-	-	-
Net debt proceeds	-1,817	-1,490	-465	1,300	780	1,580
Net equity proceeds	-	-	-	-	-	-
Total change in cash	-519	-183	195	-406	121	-121
<b>Calculations for forecast publication</b>						
Capex, dividends, acquisitions and other items before FCF	-2,400	-3,053	-3,379	-4,679	-4,339	-5,933
FCF after acquisitions and divestitures	1,560	663	-655	-1,706	-659	-1,701
FCF margin after net acquisitions (%)	4.8	1.9	-1.7	-4.4	-1.6	-3.9
<b>Gross leverage ratios (x)</b>						
EBITDAR leverage	4.2	2.9	3.4	3.3	3.2	3.0
(CFO-capex)/debt (%)	17.9	-5.0	-16.0	-10.8	-2.7	-11.8

(EURm)	2022	2023	2024	2025F	2026F	2027F
<b>Net leverage ratios (x)</b>						
EBITDAR net leverage	1.9	1.3	1.6	1.7	1.8	1.9
(CFO-capex)/net debt (%)	3,376.7	286.2	882.7	-59.1	-11.6	-33.1
<b>Coverage ratios (x)</b>						
EBITDAR fixed-charge coverage	2.9	3.9	2.8	2.9	3.2	3.3
EBITDAR net fixed-charge coverage	3.0	4.5	3.4	3.3	3.5	3.6

CFO – Cash flow from operations.  
Source: Fitch Ratings, Fitch Solutions

**How to Interpret the Forecast Presented**

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

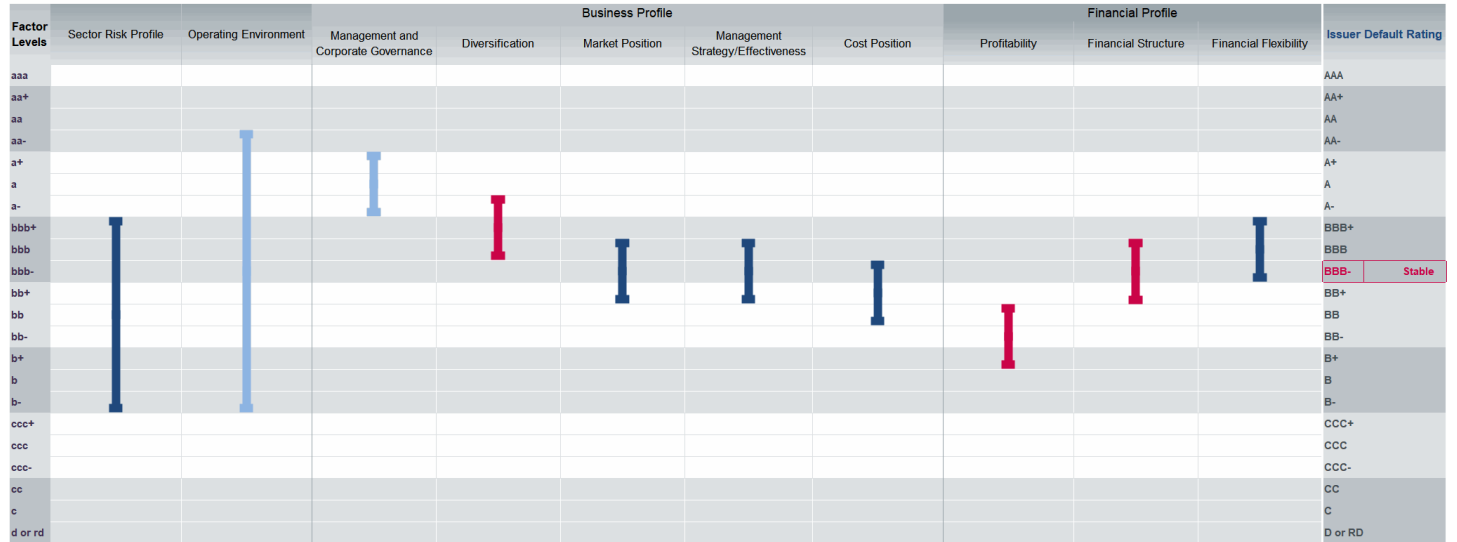
## Ratings Navigator

FitchRatings

Deutsche Lufthansa AG

ESG Relevance:

Corporates Ratings Navigator  
Airlines



Bar Chart Legend:	
Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	<ul style="list-style-type: none"> <li>↑ Positive</li> <li>↓ Negative</li> <li>↕ Evolving</li> <li>□ Stable</li> </ul>
<ul style="list-style-type: none"> <li><span style="color: red;">■</span> Higher Importance</li> <li><span style="color: blue;">■</span> Average Importance</li> <li><span style="color: lightblue;">■</span> Lower Importance</li> </ul>	

### Operating Environment

aa	Economic Environment	a	Strong combination of countries where economic value is created and where assets are located.
aa	Financial Access	aa	Very strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
b-	Systemic Governance	aa	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
ccc+			

### Management and Corporate Governance

aa-	Management Strategy	a	Coherent strategy and good track record in implementation.
a+	Governance Structure	a	Experienced board exercising effective check and balances. Ownership can be concentrated among several shareholders.
a-	Group Structure	a	Group structure shows some complexity but mitigated by transparent reporting.
a-	Financial Transparency	a	High quality and timely financial reporting.
bbb+			

### Diversification

a	Network Diversity	bbb	Extensively diversified domestic and international network. History of successful network enhancement through joint ventures or partnerships.
a-	Hub Structure	bbb	Strong/rationalized hub structure. Hubs (or bases for point-to-point carriers) are profitable/located in strategic markets.
bbb+			
bbb			
bbb-			

### Market Position

bbb+	Position in Key Markets	bbb	Strong/leading positions in key, cash flow generative and/or protected markets (reflected in market share and/or PRASK advantage over peers).
bbb	Cost Leadership	bb	Low cost carrier leader in some markets.
bbb-			
bb+			
bb			

### Management Strategy/Effectiveness

bbb+	Fleet Strategy	bb	Adequate fleet management. Mostly efficient/young aircraft, some obsolete/inefficient models, heavy upcoming deliveries.
bbb	Fuel Hedging	bbb	Consistently employs effective strategies to mitigate fuel price risk (i.e. hedging, maintaining solid liquidity, fuel-efficient fleet).
bbb-	Growth Strategy	bbb	Conservative and/or sound growth strategy.
bb+			
bb			

### Cost Position

bbb	Cost Structure	bb	Moderate fixed-cost structure. CASM in line with peers.
bbb-	Cost Flexibility	bb	Limited ability to quickly reduce costs, or cost flexibility generally in line with peers.
bb+	Pensions	b	Sizeable/inflexible defined benefit obligations.
bb	Labor Relations	bb	Unionized and/or inflexible work rules, constructive relationship with labor groups.
bb-			

### Profitability

bb+	EBITDAR Margin	b	10%
bb	EBIT Margin	b	7%
bb-	FCF Margin	bbb	3%
b+	Volatility of Profitability	bbb	Volatility of profits in line with industry average.
b			

### Financial Structure

bbb+	EBITDAR Leverage	bbb	2.3x
bbb			
bbb-			
bb+			
bb			

### Financial Flexibility

a-	Financial Discipline	a	Clear commitment to maintain a conservative policy with only modest deviations allowed.
bbb+	Liquidity as % of LTM Revenue	bbb	20%
bbb	EBITDAR Fixed Charge Coverage	bb	3.0x
bbb-	FX Exposure	bb	FX exposure on profitability and/or debt/cash flow match. Some hedging in place but only partly effective.
bb+	Capital Market Access; Unencumbered Asset Base	bbb	Demonstrated access to capital markets and/or sizable unencumbered asset base.

**How to Read This Page:** The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

### Credit-Relevant ESG Derivation

				Overall ESG
Deutsche Lufthansa AG has 10 ESG potential rating drivers				
key driver	0	issues	5	
driver	0	issues	4	
potential driver	10	issues	3	
not a rating driver	0	issues	2	
not a rating driver	4	issues	1	

Showing top 6 issues

For further details on Credit-Relevant ESG scoring, see page 3.

Credit-Relevant ESG Derivation

Deutsche Lufthansa AG has 10 ESG potential rating drivers

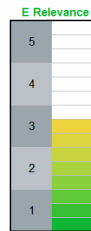
- ➔ Deutsche Lufthansa AG has exposure to emissions regulatory risk but this has very low impact on the rating.
- ➔ Deutsche Lufthansa AG has exposure to energy productivity risk but this has very low impact on the rating.
- ➔ Deutsche Lufthansa AG has exposure to extreme weather events but this has very low impact on the rating.
- ➔ Deutsche Lufthansa AG has exposure to customer accountability risk but this has very low impact on the rating.
- ➔ Deutsche Lufthansa AG has exposure to labor relations & practices risk but this has very low impact on the rating.
- ➔ Deutsche Lufthansa AG has exposure to employee health & safety risk but this has very low impact on the rating.

Showing top 6 issues

			ESG Relevance to Credit Rating	
key driver	0	issues	5	
driver	0	issues	4	
potential driver	10	issues	3	
	0	issues	2	
not a rating driver	4	issues	1	

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	3	Emissions and noise pollution	Management Strategy/Effectiveness
Energy Management	3	Fuel use in operations	Management Strategy/Effectiveness; Cost Position; Profitability; Financial Flexibility
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management, Ecological Impacts	1	n.a.	n.a.
Exposure to Environmental Impacts	3	Extreme weather conditions (e.g. hurricanes, volcanoes) on operations	Financial Flexibility



How to Read This Page

ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

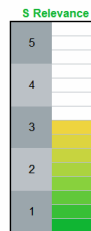
The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

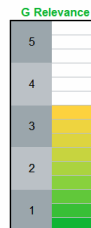
Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Data security; safety regulations	Management Strategy/Effectiveness; Market Position; Profitability; Financial Flexibility
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction, workforce diversity	Management and Corporate Governance; Cost Position; Profitability; Financial Structure
Employee Wellbeing	3	Worker safety and accident prevention, prescriptive working conditions	Management and Corporate Governance; Cost Position; Profitability; Financial Structure
Exposure to Social Impacts	1	n.a.	n.a.



Governance (G) Relevance Scores

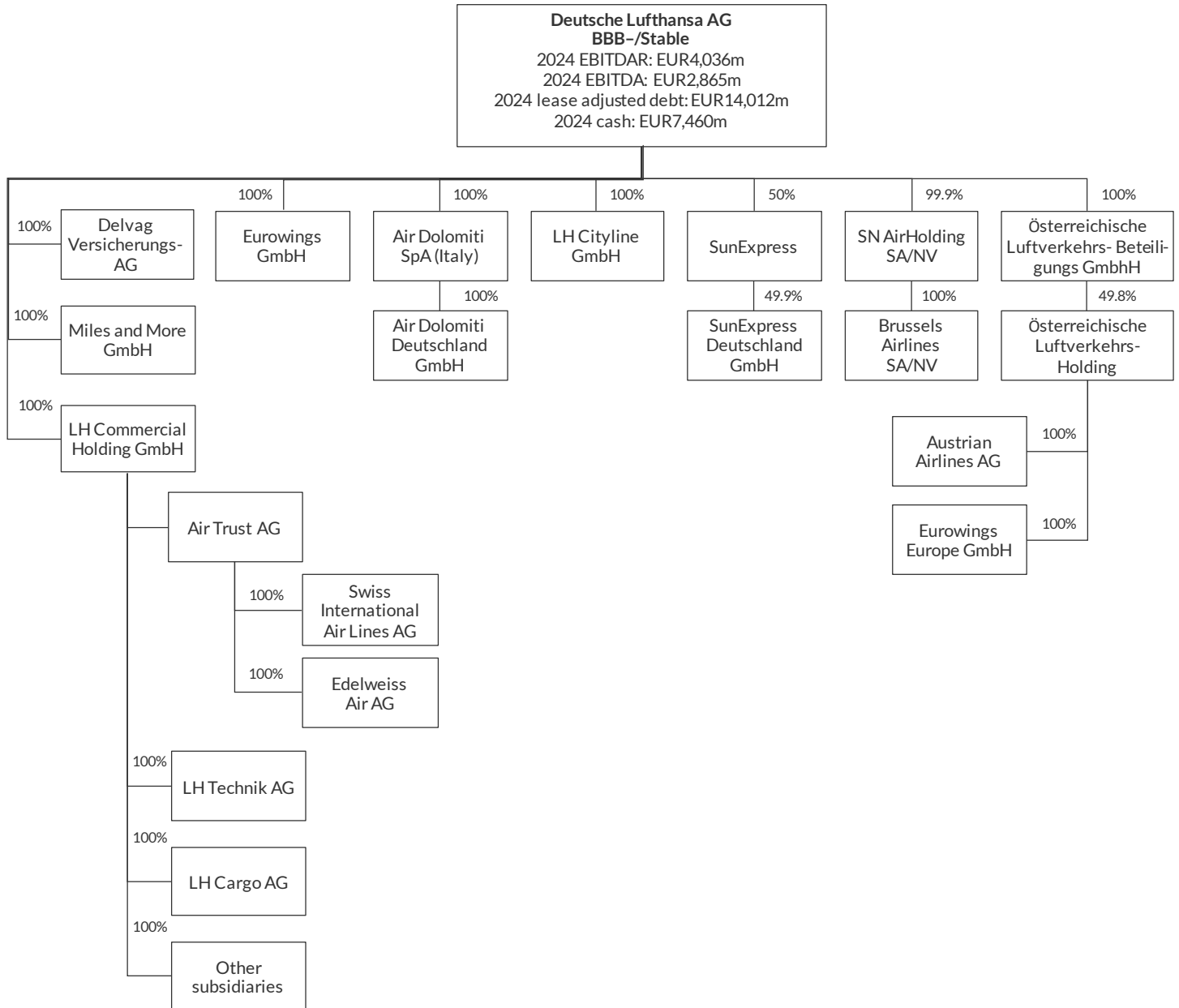
General Issues	G Score	Sector-Specific Issues	Reference
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance



CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?	
5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram



Source: Fitch Ratings, Fitch Solutions, Deutsche Lufthansa AG, structure as of July 2025, data is Fitch-adjusted and as of end-2024.

## Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	EBITDAR (EURm)	EBITDAR margin (%)	FCF margin (%)	EBITDAR leverage (x)	EBITDAR net leverage (x)
Deutsche Lufthansa AG	BBB-						
	BBB-	2024	4,036	10.7	-4.1	3.4	1.6
	BBB-	2023	4,677	13.2	-1.0	2.9	1.3
		2022	3,509	10.7	4.4	4.2	1.9
British Airways Plc	BBB						
	BBB-	2024	3,839	21.8	0.0	2.6	2.0
	BBB-	2023	2,829	17.1	-0.6	3.4	2.9
	BB	2022	1,591	12.7	-1.0	7.4	5.6
Turk Hava Yollari Anonim Ortakligi (Turkish Airlines)	BB						
	BB-	2024	6,144	28.2	16.2	–	–
	B+	2023	4,831	25.3	11.9	2.7	1.6
	B	2022	4,525	26.2	19.5	2.9	1.9
Ryanair Holdings plc	BBB+						
	BBB+	2024	3,120	23.2	3.7	0.9	-0.4
	BBB+	2023	2,366	22.0	18.7	1.7	-0.2
	BBB	2022	380	7.9	17.0	13.4	3.9
Wizz Air Holdings Plc	BB						
	BB+	2024	948	18.7	-4.0	6.6	5.1
	BBB-	2023	134	3.4	-8.3	39.6	28.3
	BBB-	2022	-19	-1.1	-24.2	-209.1	-143.6
Air France KLM	BBB-						
	BBB-	2024	4,288	13.6	-3.3	4.2	2.5
	BBB-	2023	4,307	14.3	-4.8	4.0	2.0
		2022	3,615	13.7	3.4	4.4	2.2
Delta Air Lines, Inc.	BBB-						
	BBB-	2024	9,144	15.4	4.0	2.6	2.3
	BB+	2023	8,813	16.6	1.6	3.0	2.6
	BB+	2022	6,209	13.1	-0.2	5.0	4.1
American Airlines Group Inc.	B+						
	B+	2024	7,163	13.7	2.4	5.0	4.4
	B+	2023	7,653	15.9	2.0	4.9	4.1
	B-	2022	5,797	12.6	-1.1	7.1	5.9

Source: Fitch Ratings, Fitch Solutions

## Fitch Adjusted Financials

(EURm as of 31 Dec 2024)	Notes and formulas	Standardised values	Cash adjustment	Lease treatment	Other adjustments	Adjusted values
<b>Income statement summary</b>						
Revenue		37,581	–	–	–	37,581
EBITDA	(a)	4,036	–	-1,171	–	2,865
Depreciation and amortization		-2,494	–	945	–	-1,549
EBIT		1,542	–	-226	–	1,316
<b>Balance sheet summary</b>						
Debt	(b)	13,973	–	-6,685	39	7,327
Of which other off-balance-sheet debt		–	–	–	–	–
Lease-equivalent debt		–	–	6,685	–	6,685
Lease-adjusted debt		13,973	–	–	39	14,012
Readily available cash and equivalents	(c)	8,488	-9	-1,019	–	7,460
Not readily available cash and equivalents		–	–	–	–	–
<b>Cash flow summary</b>						
EBITDA	(a)	4,036	–	-1,171	–	2,865
Dividends received from associates less dividends paid to minorities	(d)	101	–	–	–	101
Interest paid	(e)	-558	–	226	–	-332
Interest received	(f)	294	–	–	–	294
Preferred dividends paid	(g)	–	–	–	–	–
Cash tax paid		-181	–	–	–	-181
Other items before FFO		-493	–	–	–	-493
FFO	(h)	3,199	–	-945	–	2,254
Change in working capital		525	–	–	-55	470
CFO	(i)	3,724	–	-945	-55	2,724
Non-operating/nonrecurring cash flow		–	–	–	–	–
Capex	(j)	-3,898	–	–	–	-3,898
Common dividends paid		-359	–	–	–	-359
FCF		-533	–	-945	-55	-1,533
<b>Gross leverage (x)</b>						
EBITDA leverage	b/(a+d)	3.4	–	–	–	2.5
(CFO-capex)/debt (%)	(i+j)/b	-1.3	–	–	–	-16.0
<b>Net leverage (x)</b>						
EBITDA net leverage	(b-c)/(a+d)	1.3	–	–	–	-0.0
(CFO-capex)/net debt (%)	(i+j)/(b-c)	-3.2	–	–	–	882.7
<b>Coverage (x)</b>						
EBITDA interest coverage	(a+d)/(-e)	7.4	–	–	–	8.9

CFO – Cash flow from operations.

Note: The standardised items presented above are based on Fitch's taxonomy for the given sector and region. Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.

Debt includes other off-balance-sheet debt.

Source: Fitch Ratings, Fitch Solutions, Deutsche Lufthansa AG

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