

The background of the slide is a high-angle aerial photograph of a vast, snow-covered mountain range. The terrain is rugged and covered in white snow, with some darker patches of rock or vegetation visible. The sky is a clear, pale blue. In the foreground, the white wing and engine nacelle of an airplane are visible, indicating the perspective is from inside the aircraft looking out the window.

Plenary Session

German Corporate Conference

Frankfurt, January 18 2023
Remco Steenberg, CFO, Lufthansa Group

Lufthansa Group leaves crisis behind in 2022



Return to around EUR 1.5bn of operating profit

Logistics and MRO generate record results

Fast and steep operational ramp-up

Cost inflation mitigated successfully

Repayment of all stabilization measures

Significant debt reduction

Group returns to solid profit and generates strong free cash flow in 9M

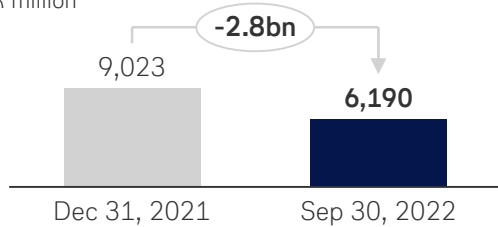


(in EUR million)	9M '22	9M '21
Revenues	23,893	10,978
Operating expenses	24,593	13,685
Of which fuel	5,613	1,444
Of which staff	5,894	4,200
Of which depreciation	1,702	1,684
Adjusted EBITDA	2,636	60
Adjusted EBIT	934	-1,624
EBIT	826	-2,123
Net income	484	-1,877
Adjusted free cash flow	3,312	-528

Balance sheet strengthened significantly: Net debt and pension liabilities down, liquidity and equity up

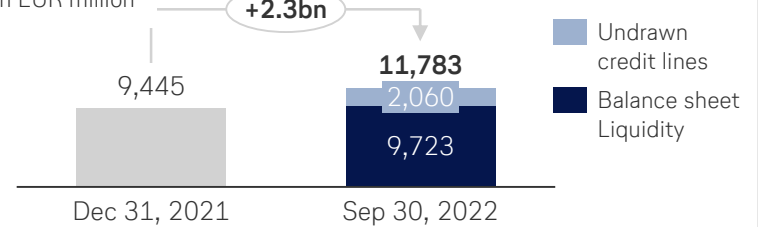
Net debt declines as a result of strong free cash flow

Net debt in EUR million



Liquidity remains far above target corridor of EUR 6-8bn

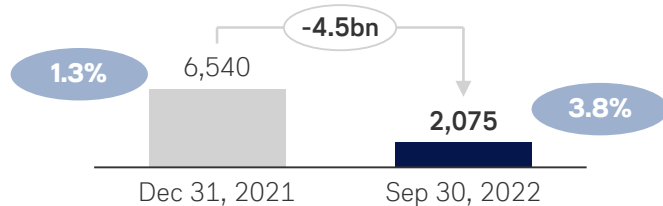
Liquidity in EUR million



Pension obligation declines as discount rate increases

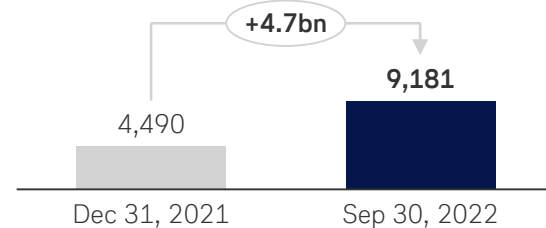
Net pension obligation¹ in EUR million

Discount rate



Lower pension liability increases equity

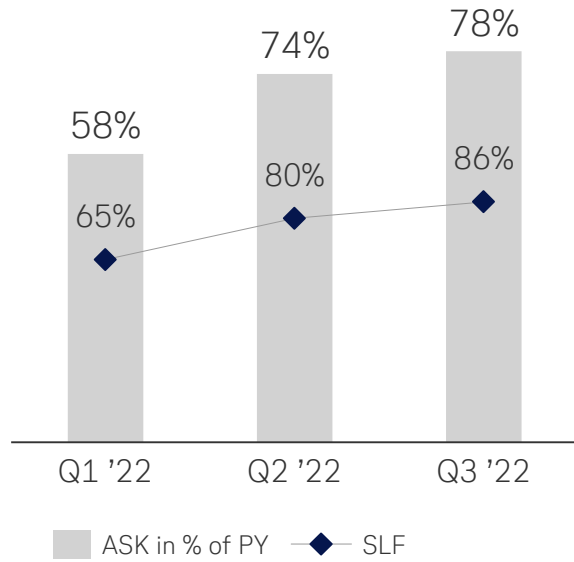
Shareholder equity in EUR million



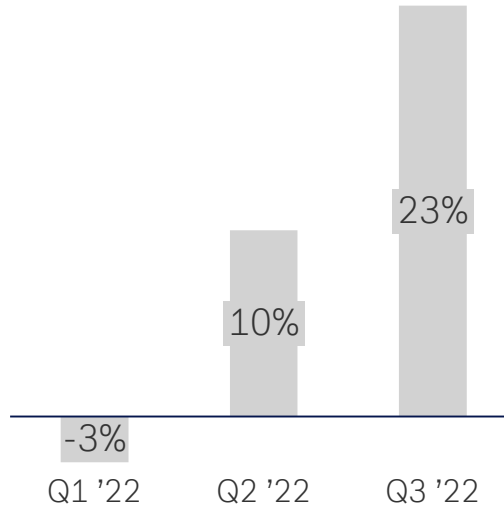
¹ Incl. surplus of EUR 485m related to pension plan in CH on September 30, 2022 (December 31, 2021: EUR 136m), which may not be netted according to IFRS.

Strong demand drives steep recovery at passenger airlines in 2022

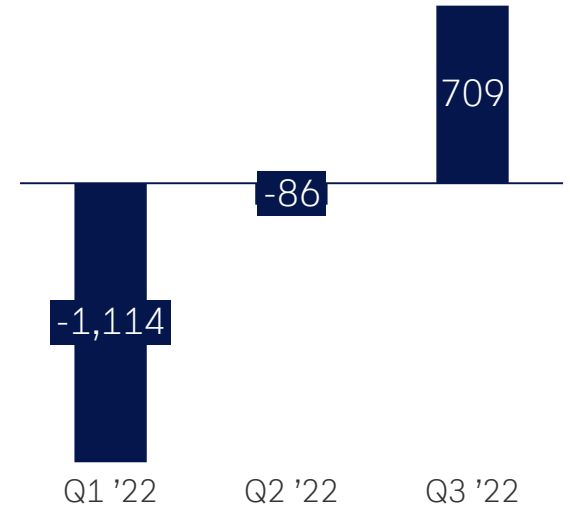
Capacity (ASK) in % of 2019 levels, seat load factors



Yield vs. 2019



Adjusted EBIT (in EUR million)



Industry-wide supply limitations will support financial performance in the New Normal

I GROUNDING

Ensuring solvency in the crisis

II RESTART

Enabling the return of travel

III NEW NORMAL

Competing on the next level

SUPPLY

- Aircraft delivery delays / lack of spare parts
- Industry-wide personnel shortages
- Material and fuel cost increases

DEMAND

- Ongoing recovery of corporate travel
- More pent-up demand in VFR and leisure
- Re-opening of Japan and (later) China



Higher level of consolidation



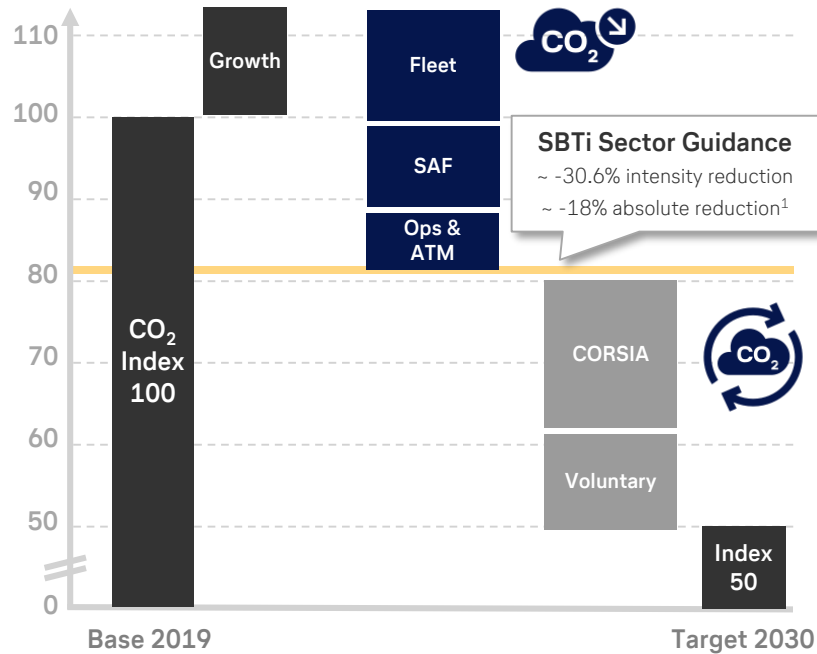
Capacity discipline



Sustainably high yields

Lufthansa Group has committed to significant reduction of emissions based on Science Based Targets initiative (SBTi)

Index LHG CO₂ Emissions (not to scale)



¹ Based on current industry growth assumptions

Reduction

Major levers for CO₂ Reduction: (SBTi relevance)

- Fleet rollover
- Sustainable Aviation Fuel (SAF) usage
- Ops efficiency (incl. ATM)

Compensation

Compensation:

(no relevance for SBTi)

- CORSIA
- Voluntary compensation



First European airline group and second airline group worldwide to receive validation by SBTi

Portfolio management aims at maximizing the value of the Group and its businesses

Core business



Strong performance in '22 will be the base for the achievement of '24 targets



Capacity (ASK)

2022 Forecast

FY: **c.75%** of 2019 levels



Adjusted EBIT

Around **EUR 1.5bn**



Adjusted free cash flow

Above **EUR 2bn**



Net CapEx

c. **EUR 2.5bn**

2024 Targets

Adjusted EBIT margin:
At least 8%

Adjusted ROCE (excl. cash):
At least 10%

Q&A

