

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2024

Or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 001-5424



DELTA AIR LINES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

58-0218548

(I.R.S. Employer Identification No.)

Post Office Box 20706

Atlanta, Georgia

(Address of principal executive offices)

30320-6001

(Zip Code)

Registrant's telephone number, including area code: (404) 715-2600

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	DAL	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐
Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Number of shares outstanding by each class of common stock, as of June 30, 2024

Common Stock, \$0.0001 par value - 645,419,328 shares outstanding

This document is also available through our website at <http://ir.delta.com/>.

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Unless otherwise indicated or the context otherwise requires, the terms "Delta," "we," "us" and "our" refer to Delta Air Lines, Inc. and its subsidiaries.

FORWARD-LOOKING STATEMENTS

Statements in this Form 10-Q (or otherwise made by us or on our behalf) that are not historical facts, including statements about our estimates, expectations, beliefs, intentions, projections, goals, aspirations, commitments or strategies for the future, may be "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from historical experience or our present expectations. Known material risk factors applicable to Delta are described in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 ("Form 10-K"), other than risks that could apply to any issuer or offering. All forward-looking statements speak only as of the date made, and we undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this report except as required by law.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Delta Air Lines, Inc.

Results of Review of Interim Financial Statements

We have reviewed the accompanying consolidated balance sheet of Delta Air Lines, Inc. (the Company) as of June 30, 2024, the related condensed consolidated statements of operations and comprehensive income and consolidated statements of stockholders' equity for the three-month and six-month periods ended June 30, 2024 and 2023, condensed consolidated statements of cash flows for the six-month periods ended June 30, 2024 and 2023, and the related notes (collectively referred to as the "condensed consolidated interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2023, the related consolidated statements of operations, comprehensive income, cash flows, and stockholders' equity for the year then ended, and the related notes (not presented herein); and in our report dated February 12, 2024, we expressed an unqualified audit opinion on those Consolidated Financial Statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2023, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission (SEC) and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Ernst & Young LLP

Atlanta, Georgia
July 11, 2024

DELTA AIR LINES, INC.
Consolidated Balance Sheets
(Unaudited)

(in millions, except share data)	June 30, 2024	December 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 4,110	\$ 2,741
Short-term investments	124	1,127
Accounts receivable, net of allowance for uncollectible accounts of \$16 and \$17	3,812	3,130
Fuel, expendable parts and supplies inventories, net of allowance for obsolescence of \$129 and \$123	1,486	1,314
Prepaid expenses and other	2,056	1,957
Total current assets	11,588	10,269
Noncurrent Assets:		
Property and equipment, net of accumulated depreciation and amortization of \$22,477 and \$21,707	36,339	35,486
Operating lease right-of-use assets	6,808	7,004
Goodwill	9,753	9,753
Identifiable intangibles, net of accumulated amortization of \$915 and \$911	5,979	5,983
Equity investments	3,022	3,457
Other noncurrent assets	1,708	1,692
Total noncurrent assets	63,609	63,375
Total assets	\$ 75,197	\$ 73,644
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of debt and finance leases	\$ 2,950	\$ 2,983
Current maturities of operating leases	775	759
Air traffic liability	9,437	7,044
Accounts payable	4,876	4,446
Accrued salaries and related benefits	3,655	4,561
Loyalty program deferred revenue	4,038	3,908
Fuel card obligation	1,100	1,100
Other accrued liabilities	1,928	1,617
Total current liabilities	28,759	26,418
Noncurrent Liabilities:		
Debt and finance leases	15,033	17,071
Pension, postretirement and related benefits	3,453	3,601
Loyalty program deferred revenue	4,596	4,512
Noncurrent operating leases	6,053	6,468
Deferred income taxes, net	1,410	908
Other noncurrent liabilities	3,507	3,561
Total noncurrent liabilities	34,052	36,121
Commitments and Contingencies		
Stockholders' Equity:		
Common stock at \$0.0001 par value; 1,500,000,000 shares authorized, 654,682,022 and 654,671,194 shares issued	—	—
Additional paid-in capital	11,647	11,641
Retained earnings	6,765	5,650
Accumulated other comprehensive loss	(5,740)	(5,845)
Treasury stock, at cost, 9,262,694 and 11,224,246 shares	(286)	(341)
Total stockholders' equity	12,386	11,105
Total liabilities and stockholders' equity	\$ 75,197	\$ 73,644

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

DELTA AIR LINES, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

(in millions, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating Revenue:				
Passenger	\$ 13,841	\$ 13,205	\$ 24,972	\$ 23,616
Cargo	199	172	377	381
Other	2,618	2,201	5,057	4,340
Total operating revenue	16,658	15,578	30,406	28,337
Operating Expense:				
Salaries and related costs	4,012	3,692	7,803	7,078
Aircraft fuel and related taxes	2,813	2,516	5,410	5,192
Ancillary businesses and refinery	1,463	1,173	2,833	2,298
Contracted services	1,041	994	2,065	2,004
Landing fees and other rents	766	617	1,515	1,201
Aircraft maintenance materials and outside repairs	684	614	1,363	1,199
Depreciation and amortization	620	573	1,235	1,137
Passenger commissions and other selling expenses	672	651	1,222	1,152
Regional carrier expense	580	559	1,130	1,117
Passenger service	463	442	876	859
Profit sharing	519	595	644	667
Aircraft rent	138	132	274	264
Pilot agreement and related expenses	—	—	—	864
Other	620	529	1,155	1,090
Total operating expense	14,391	13,087	27,525	26,122
Operating Income	2,267	2,491	2,881	2,215
Non-Operating Expense:				
Interest expense, net	(188)	(203)	(394)	(430)
Gain/(loss) on investments, net	(196)	128	(423)	251
Loss on extinguishment of debt	(32)	(29)	(36)	(50)
Miscellaneous, net	(78)	(70)	(133)	(174)
Total non-operating expense, net	(494)	(174)	(986)	(403)
Income Before Income Taxes	1,773	2,317	1,895	1,812
Income Tax Provision	(468)	(490)	(553)	(348)
Net Income	\$ 1,305	\$ 1,827	\$ 1,342	\$ 1,464
Basic Earnings Per Share	\$ 2.04	\$ 2.86	\$ 2.10	\$ 2.29
Diluted Earnings Per Share	\$ 2.01	\$ 2.84	\$ 2.08	\$ 2.28
Comprehensive Income	\$ 1,358	\$ 1,872	\$ 1,447	\$ 1,556

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

DELTA AIR LINES, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Six Months Ended June 30,	
	2024	2023
Net Cash Provided by Operating Activities	\$ 4,857	\$ 4,843
Cash Flows from Investing Activities:		
Property and equipment additions:		
Flight equipment, including advance payments	(1,891)	(1,704)
Ground property and equipment, including technology	(611)	(748)
Purchase of short-term investments	—	(2,011)
Redemption of short-term investments	1,013	1,961
Other, net	43	20
Net cash used in investing activities	(1,446)	(2,482)
Cash Flows from Financing Activities:		
Payments on debt and finance lease obligations	(2,149)	(2,986)
Cash dividends	(128)	—
Other, net	(22)	(24)
Net cash used in financing activities	(2,299)	(3,010)
Net Increase/(Decrease) in Cash, Cash Equivalents and Restricted Cash Equivalents	1,112	(649)
Cash, cash equivalents and restricted cash equivalents at beginning of period	3,395	3,473
Cash, cash equivalents and restricted cash equivalents at end of period	<u>\$ 4,507</u>	<u>\$ 2,824</u>
Non-Cash Transactions:		
Right-of-use assets acquired or modified under operating leases	\$ 161	\$ 144
Flight and ground equipment acquired or modified under finance leases	18	36
Operating leases converted to finance leases	—	43

The following table provides a reconciliation of cash, cash equivalents and restricted cash equivalents reported within the Consolidated Balance Sheets to the total of the same such amounts shown above:

(in millions)	June 30,	
	2024	2023
Current assets:		
Cash and cash equivalents	\$ 4,110	\$ 2,668
Restricted cash included in prepaid expenses and other	114	156
Noncurrent assets:		
Restricted cash included in other noncurrent assets	283	—
Total cash, cash equivalents and restricted cash equivalents	<u>\$ 4,507</u>	<u>\$ 2,824</u>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

DELTA AIR LINES, INC.
Consolidated Statements of Stockholders' Equity
(Unaudited)

(in millions, except per share data)	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
Balance at December 31, 2023	655	\$ —	\$ 11,641	\$ 5,650	\$ (5,845)	11	\$ (341)	\$ 11,105
Net income	—	—	—	37	—	—	—	37
Dividends declared (\$0.10 per share)	—	—	—	(65)	—	—	—	(65)
Other comprehensive income	—	—	—	—	52	—	—	52
Common stock issued for employee equity awards ⁽¹⁾	2	—	47	—	—	1	(25)	22
Balance at March 31, 2024	657	\$ —	\$ 11,688	\$ 5,622	\$ (5,793)	12	\$ (366)	\$ 11,151
Net income	—	—	—	1,305	—	—	—	1,305
Dividends declared (\$0.10 and \$0.15 per share)	—	—	—	(162)	—	—	—	(162)
Other comprehensive income	—	—	—	—	53	—	—	53
Common stock issued for employee equity awards ⁽¹⁾	(2)	—	(41)	—	—	(3)	80	39
Balance at June 30, 2024	655	\$ —	\$ 11,647	\$ 6,765	\$ (5,740)	9	\$ (286)	\$ 12,386

⁽¹⁾ Treasury shares were withheld for payment of taxes, at a weighted average price per share of \$39.83 and \$50.04 in the March 2024 quarter and June 2024 quarter, respectively.

(in millions, except per share data)	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
Balance at December 31, 2022	652	\$ —	\$ 11,526	\$ 1,170	\$ (5,801)	11	\$ (313)	\$ 6,582
Net loss	—	—	—	(363)	—	—	—	(363)
Other comprehensive income	—	—	—	—	47	—	—	47
Common stock issued for employee equity awards ⁽¹⁾	2	—	18	—	—	—	(24)	(6)
Balance at March 31, 2023	654	\$ —	\$ 11,544	\$ 807	\$ (5,754)	11	\$ (337)	\$ 6,260
Net income	—	—	—	1,827	—	—	—	1,827
Dividends declared (\$0.10 per share)	—	—	—	(65)	—	—	—	(65)
Other comprehensive income	—	—	—	—	45	—	—	45
Common stock issued for employee equity awards ⁽¹⁾	1	—	34	—	—	—	(1)	33
Balance at June 30, 2023	655	\$ —	\$ 11,578	\$ 2,569	\$ (5,709)	11	\$ (338)	\$ 8,100

⁽¹⁾ Treasury shares were withheld for payment of taxes, at a weighted average price per share of \$39.73 and \$36.76 in the March 2023 quarter and June 2023 quarter, respectively.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

DELTA AIR LINES, INC.
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***Basis of Presentation***

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of Delta Air Lines, Inc. and our consolidated subsidiaries, and have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information. Consistent with these requirements, this Form 10-Q does not include all the information required by GAAP for complete financial statements. As a result, this Form 10-Q should be read in conjunction with the Consolidated Financial Statements and accompanying Notes in our Form 10-K for the year ended December 31, 2023.

Management believes the accompanying unaudited Condensed Consolidated Financial Statements reflect all adjustments, including normal recurring items, considered necessary for a fair statement of results for the interim periods presented.

Due to seasonal variations in the demand for air travel, the volatility of aircraft fuel prices and other factors, operating results for the three and six months ended June 30, 2024 are not necessarily indicative of operating results for the entire year.

We reclassified certain prior period amounts to conform to the current period presentation. Unless otherwise noted, all amounts disclosed are stated before consideration of income taxes.

NOTE 2. REVENUE RECOGNITION***Passenger Revenue***

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Ticket	\$ 12,349	\$ 11,829	\$ 22,182	\$ 21,068
Loyalty travel awards	975	902	1,820	1,645
Travel-related services	517	474	970	903
Passenger revenue	\$ 13,841	\$ 13,205	\$ 24,972	\$ 23,616

Ticket

We recognized approximately \$5.6 billion and \$5.7 billion in passenger revenue during the six months ended June 30, 2024 and 2023, respectively, that had been recorded in our air traffic liability balance at the beginning of those periods.

Loyalty Travel Awards

Loyalty travel awards revenue is related to the redemption of mileage credits ("miles") for air travel. Our SkyMiles loyalty program allows customers to earn miles by flying on Delta, Delta Connection and other airlines that participate in the loyalty program. Customers can also earn miles through participating companies, such as credit card, retail, ridesharing, car rental and hotel companies, who purchase miles from us. Our most significant contract to sell miles relates to our co-brand credit card relationship with American Express. During the six months ended June 30, 2024 and 2023, total cash sales from marketing agreements related to our loyalty program were \$3.6 billion and \$3.4 billion, respectively, which are allocated to travel and other performance obligations.

Current Activity of the Loyalty Program. Miles are combined in one homogeneous pool and are not separately identifiable. Therefore, revenue is comprised of miles that were part of the loyalty program deferred revenue balance at the beginning of the period as well as miles that were issued during the period. The timing of mile redemptions can vary widely; however, the majority of miles have historically been redeemed within two years of being earned.

The table below presents the activity of the current and noncurrent loyalty program deferred revenue and includes miles earned through travel and miles sold to participating companies, which are primarily through marketing agreements.

Loyalty program activity

(in millions)	2024	2023
Balance at January 1	\$ 8,420	\$ 7,882
Miles earned	2,148	2,110
Miles redeemed for air travel	(1,820)	(1,645)
Miles redeemed for non-air travel and other	(114)	(80)
Balance at June 30	\$ 8,634	\$ 8,267

Travel-Related Services

Travel-related services are primarily composed of services performed in conjunction with a passenger's flight and include baggage fees, administrative fees and on-board sales.

Other Revenue

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Refinery	\$ 1,251	\$ 965	\$ 2,436	\$ 1,882
Loyalty program	836	774	1,631	1,500
Ancillary businesses	213	214	393	445
Miscellaneous	318	248	597	513
Other revenue	\$ 2,618	\$ 2,201	\$ 5,057	\$ 4,340

Refinery. This represents refinery sales to third parties. See Note 9, "Segments," for more information on revenue recognition within our refinery segment.

Loyalty Program. This relates to revenues from brand usage by third parties and other performance obligations embedded in miles sold, which are included within the total cash sales from marketing agreements discussed above. This also includes the redemption of miles for non-air travel and other awards.

Ancillary Businesses. This includes revenues from aircraft maintenance services we provide to third parties and our vacation wholesale operations.

Miscellaneous. This is primarily composed of revenues related to lounge access, including access provided to certain American Express cardholders, codeshare agreements and certain other commercial relationships.

Revenue by Geographic Region

Operating revenue for the airline segment is recognized in a specific geographic region based on the origin, flight path and destination of each flight segment. A significant portion of the refinery segment's revenues typically consists of fuel sales to support the airline, which is eliminated in the Condensed Consolidated Financial Statements. The remaining operating revenue for the refinery segment is included in the domestic region. Our passenger and operating revenue by geographic region is summarized in the following tables:

Passenger revenue by geographic region

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Domestic	\$ 9,398	\$ 8,944	\$ 17,381	\$ 16,538
Atlantic	2,825	2,803	4,130	4,047
Latin America	964	926	2,229	2,058
Pacific	654	532	1,232	973
Total	\$ 13,841	\$ 13,205	\$ 24,972	\$ 23,616

Operating revenue by geographic region

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Domestic	\$ 11,575	\$ 10,749	\$ 21,607	\$ 20,145
Atlantic	3,210	3,178	4,791	4,726
Latin America	1,102	1,037	2,543	2,317
Pacific	771	614	1,465	1,149
Total	\$ 16,658	\$ 15,578	\$ 30,406	\$ 28,337

NOTE 3. FAIR VALUE MEASUREMENTS**Assets/(Liabilities) Measured at Fair Value on a Recurring Basis**

(in millions)	June 30, 2024	Level 1	Level 2	Level 3
Cash equivalents	\$ 2,840	\$ 2,840	\$ —	\$ —
Restricted cash equivalents	397	397	—	—
Short-term investments				
U.S. Government securities	100	—	100	—
Corporate obligations	10	—	10	—
Other fixed income securities	14	—	14	—
Long-term investments and related	2,445	2,188	143	114
Fuel hedge contracts	(23)	—	(23)	—

(in millions)	December 31, 2023	Level 1	Level 2	Level 3
Cash equivalents	\$ 1,545	\$ 1,545	\$ —	\$ —
Restricted cash equivalents	653	653	—	—
Short-term investments				
U.S. Government securities	859	204	655	—
Corporate obligations	218	—	218	—
Other fixed income securities	50	—	50	—
Long-term investments and related	2,867	2,614	134	119
Fuel hedge contracts	5	—	5	—

Cash Equivalents and Restricted Cash Equivalents. Cash equivalents generally consist of money market funds. Restricted cash equivalents generally consist of money market funds, time deposits, commercial paper and negotiable certificates of deposit. Restricted cash equivalents primarily relate to proceeds from debt issued to finance, among other things, a portion of the construction costs for our new terminal facilities at New York's LaGuardia Airport as well as certain self-insurance obligations and airport commitments. Restricted cash equivalents are recorded in prepaid expenses and other on our Consolidated Balance Sheet ("balance sheet"). The fair value of these cash equivalents is based on a market approach using prices generated by market transactions involving identical or comparable assets.

Short-Term Investments. The fair values of our short-term investments are based on a market approach using industry standard valuation techniques that incorporate observable inputs such as quoted market prices, interest rates, benchmark curves, credit ratings of the security and other observable information. These investments are expected to mature in one year or less.

Long-Term Investments and Related. Our long-term investments measured at fair value primarily consist of equity investments, which are valued based on market prices or other observable transactions and inputs, and are recorded in equity investments on our balance sheet. Our equity investments in private companies are classified as Level 3 in the fair value hierarchy as their equity is not traded on a public exchange and our valuations incorporate certain unobservable inputs, including non-public equity issuances. Fair value measurement using unobservable inputs is inherently uncertain, and a change in significant inputs could result in different fair values. See Note 4, "Investments," for further information on our equity investments.

Fuel Hedge Contracts. Our derivative contracts to hedge the financial risk from changing fuel prices are related to inventory at our wholly-owned subsidiary, Monroe Energy, LLC ("Monroe"). We recognized gains of \$16 million and losses of \$80 million on our fuel hedge contracts in aircraft fuel and related taxes on our Condensed Consolidated Statements of Operations and Comprehensive Income ("income statement") for the three and six months ended June 30, 2024, respectively, compared to gains of \$12 million and \$43 million for the three and six months ended June 30, 2023, respectively. The losses recognized during the first six months of 2024 were composed of \$28 million of mark-to-market losses and \$52 million of settlement losses on contracts. Gains and losses on settled contracts are reflected within Monroe's operating results. See Note 9, "Segments," for further information on our Monroe refinery segment.

NOTE 4. INVESTMENTS

Equity investments ownership interest and carrying value

(in millions)	Accounting Treatment	Ownership Interest		Carrying Value	
		June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Air France-KLM	Fair Value	3 %	3 %	\$ 65	\$ 110
China Eastern	Fair Value	2 %	2 %	117	134
Grupo Aerom�xico	Equity Method	20 %	20 %	438	421
Hanjin KAL	Fair Value ⁽¹⁾	15 %	15 %	467	561
LATAM	Fair Value	10 %	10 %	829	658
Unifi Aviation	Equity Method	49 %	49 %	139	162
Wheels Up	Fair Value ⁽²⁾	38 %	38 %	498	903
Other investments	Various			469	508
Equity investments				\$ 3,022	\$ 3,457

⁽¹⁾ At June 30, 2024, we held 14.8% of the outstanding shares (including common and preferred), and 14.9% of the common shares, of Hanjin KAL.

⁽²⁾ Our voting rights with respect to Wheels Up are capped at 29.9%.

NOTE 5. DEBT**Summary of outstanding debt by category**

Summary of outstanding debt by category									
(in millions)	Maturity Dates			Interest Rate(s) Per Annum at June 30, 2024			June 30, 2024	December 31, 2023	
Unsecured Payroll Support Program Loans	2030	to	2031	1.00%			\$ 3,496	\$ 3,496	
Unsecured notes	2024	to	2029	2.90%	to	7.38%	2,575	2,590	
Financing arrangements secured by SkyMiles assets:									
SkyMiles Notes ⁽¹⁾	2024	to	2028	4.50%	and	4.75%	4,244	4,518	
SkyMiles Term Loan ⁽¹⁾⁽²⁾	2024	to	2027	9.07%			915	1,772	
NYTDC Special Facilities Revenue Bonds ⁽¹⁾	2025	to	2045	4.00%	to	6.00%	3,591	3,656	
Financing arrangements secured by aircraft:									
Certificates ⁽¹⁾	2024	to	2028	2.00%	to	8.00%	1,041	1,591	
Notes ⁽¹⁾⁽²⁾	2024	to	2033	7.58%	to	7.60%	92	165	
Financing arrangements secured by slots, gates and/or routes:									
2020 Senior Secured Notes	2025			7.00%			812	838	
2018 Revolving Credit Facility ⁽²⁾	2026	to	2028	Undrawn			—	—	
Other financings ⁽¹⁾⁽²⁾	2024	to	2030	2.51%	to	5.00%	66	67	
Other revolving credit facilities ⁽²⁾	2025	to	2026	Undrawn			—	—	
Total secured and unsecured debt							\$ 16,832	\$ 18,693	
Unamortized (discount)/premium and debt issue cost, net and other							(49)	(83)	
Total debt							\$ 16,783	\$ 18,610	
Less: current maturities							(2,699)	(2,625)	
Total long-term debt							\$ 14,084	\$ 15,985	

⁽¹⁾ Due in installments during the years shown above.

⁽²⁾ Certain financings are comprised of variable rate debt. All variable rates are equal to SOFR (generally subject to a floor) or another index rate, plus a specified margin.

Availability Under Revolving Credit Facilities

As of June 30, 2024, we had approximately \$2.9 billion undrawn and available under our revolving credit facilities.

Early Settlement of Outstanding Notes

During the six months ended June 30, 2024, through early principal repayments and open market repurchases, we extinguished an aggregate principal amount of \$744 million related to a portion of the SkyMiles Term Loan and various secured and unsecured notes. These payments resulted in a \$36 million loss on extinguishment of debt recorded in non-operating expense in our income statement.

Fair Value of Debt

Market risk associated with our fixed- and variable-rate debt relates to the potential reduction in fair value and negative impact to future earnings, respectively, from an increase in interest rates. The fair value of debt shown below is principally based on reported market values, recently completed market transactions and estimates based on interest rates, maturities, credit risk and underlying collateral. Debt is primarily classified as Level 2 within the fair value hierarchy.

Fair value of outstanding debt

(in millions)	June 30, 2024	December 31, 2023
Net carrying amount	\$ 16,783	\$ 18,610
Fair value	\$ 16,700	\$ 18,400

Covenants

Our debt agreements contain various affirmative, negative and financial covenants. We were in compliance with the covenants in our debt agreements at June 30, 2024.

NOTE 6. EMPLOYEE BENEFIT PLANS

We sponsor defined benefit and defined contribution pension plans, healthcare plans and disability and survivorship plans for eligible employees and retirees and their eligible family members. The net periodic cost table below includes our domestic defined benefit pension plans and postretirement healthcare plans.

Employee benefit plans net periodic cost

(in millions)	Pension Benefits		Other Postretirement and Postemployment Benefits	
	2024	2023	2024	2023
Three Months Ended June 30,				
Service cost	\$ —	\$ —	\$ 23	\$ 18
Interest cost	201	213	45	50
Expected return on plan assets	(263)	(264)	(1)	—
Amortization of prior service credit	—	—	(1)	(1)
Recognized net actuarial loss	62	60	5	3
Net periodic cost	\$ —	\$ 9	\$ 71	\$ 70
Six Months Ended June 30,				
Service cost	\$ —	\$ —	\$ 46	\$ 36
Interest cost	402	426	91	100
Expected return on plan assets	(526)	(528)	(1)	—
Amortization of prior service credit	—	—	(2)	(3)
Recognized net actuarial loss	124	119	9	6
Net periodic cost	\$ —	\$ 17	\$ 143	\$ 139

Service cost is recorded in salaries and related costs in our income statement, while all other components are recorded within miscellaneous, net under non-operating expense.

We also sponsor defined benefit pension plans for eligible employees in certain foreign countries and a market based cash balance plan for eligible pilots, which have immaterial obligations. These plans are not included in the net periodic cost table above.

NOTE 7. COMMITMENTS AND CONTINGENCIES***Aircraft Purchase Commitments***

Our future aircraft purchase commitments totaled approximately \$19.9 billion at June 30, 2024.

Aircraft purchase commitments⁽¹⁾

(in millions)	Total	
Six months ending December 31, 2024	\$	1,850
2025		4,320
2026		4,970
2027		5,010
2028		2,980
Thereafter		770
Total	\$	19,900

⁽¹⁾ The timing of these commitments is based on our contractual agreements with the aircraft manufacturers and remains uncertain due to supply chain, manufacturing and regulatory constraints.

Our future aircraft purchase commitments included the following aircraft at June 30, 2024:

Aircraft purchase commitments by fleet type

Aircraft Type	Purchase Commitments	
A220-300		74
A321-200neo		94
A330-900neo		12
A350-900		14
A350-1000		20
B-737-10		100
Total		314

Aircraft Orders

In January 2024, we entered into a purchase agreement with Airbus for 20 A350-1000 aircraft, with an option to purchase an additional 20 widebody aircraft. Deliveries of these aircraft are scheduled to begin in 2026.

Legal Contingencies

We are involved in various legal proceedings related to employment practices, environmental issues, commercial disputes, antitrust and other regulatory matters concerning our business. We record liabilities for losses from legal proceedings when we determine that it is probable that the outcome in a legal proceeding will be unfavorable and the amount of loss can be reasonably estimated. Although the outcome of the legal proceedings in which we are involved cannot be predicted with certainty, we believe that the resolution of current matters will not have a material adverse effect on our Condensed Consolidated Financial Statements.

NOTE 8. ACCUMULATED OTHER COMPREHENSIVE LOSS**Components of accumulated other comprehensive loss**

(in millions)	Pension and Other Benefit Liabilities	Other	Tax Effect	Total
Balance at January 1, 2024	\$ (6,681)	\$ 40	\$ 796	\$ (5,845)
Changes in value	—	3	—	3
Reclassifications into earnings ⁽¹⁾	133	—	(31)	102
Balance at June 30, 2024	\$ (6,548)	\$ 43	\$ 765	\$ (5,740)
Balance at January 1, 2023	\$ (6,624)	\$ 41	\$ 782	\$ (5,801)
Changes in value	—	(3)	1	(2)
Reclassifications into earnings ⁽¹⁾	122	—	(28)	94
Balance at June 30, 2023	\$ (6,502)	\$ 38	\$ 755	\$ (5,709)

⁽¹⁾ Amounts reclassified from accumulated other comprehensive loss for pension and other benefit liabilities are recorded in miscellaneous, net in non-operating expense in our income statement.

NOTE 9. SEGMENTS**Refinery Operations**

Our refinery segment operates for the benefit of the airline segment by providing jet fuel to the airline segment from its own production and from jet fuel obtained through agreements with third parties. The refinery's production consists of jet fuel, as well as non-jet fuel products. We use several counterparties to exchange non-jet fuel products produced by the refinery for jet fuel consumed in our airline operations.

Segment Reporting

Segment results are prepared based on our internal accounting methods described below, with reconciliations to consolidated amounts in accordance with GAAP. Our segments are not designed to measure operating income or loss directly related to the products and services included in each segment on a stand-alone basis.

Financial information by segment

Financial Information by Segment						
(in millions)	Airline		Refinery		Intersegment Sales/Other	Consolidated
Three Months Ended June 30, 2024						
Operating revenue	\$	15,407	\$	2,051	\$ (800) ⁽¹⁾	\$ 16,658
Depreciation and amortization		620		30	(30) ⁽²⁾	620
Operating income		2,207		60 ⁽²⁾	—	2,267
Interest expense, net		188		6	(6)	188
Total assets, end of period		72,938		2,337	(78)	75,197
Capital expenditures		1,292		16	—	1,308
Three Months Ended June 30, 2023						
Operating revenue	\$	14,613	\$	2,037	\$ (1,072) ⁽¹⁾	\$ 15,578
Depreciation and amortization		573		23	(23) ⁽²⁾	573
Operating income		2,447		44 ⁽²⁾	—	2,491
Interest expense, net		203		3	(3)	203
Total assets, end of period		70,265		3,309	(77)	73,497
Capital expenditures		1,422		30	—	1,452

(in millions)	Airline		Refinery		Intersegment Sales/Other	Consolidated
Six Months Ended June 30, 2024						
Operating revenue	\$	27,970	\$	4,100	\$ (1,664) ⁽¹⁾	\$ 30,406
Depreciation and amortization		1,235		57	(57) ⁽²⁾	1,235
Operating income		2,773		108 ⁽²⁾	—	2,881
Interest expense, net		394		11	(11)	394
Capital expenditures		2,472		30	—	2,502
Six Months Ended June 30, 2023						
Operating revenue	\$	26,455	\$	4,388	\$ (2,506) ⁽¹⁾	\$ 28,337
Depreciation and amortization		1,137		46	(46) ⁽²⁾	1,137
Operating income		1,949		266 ⁽²⁾	—	2,215
Interest expense, net		430		8	(8)	430
Capital expenditures		2,393		59	—	2,452

⁽¹⁾ See table below for detail of the intersegment operating revenue amounts.

⁽²⁾ Refinery segment operating results, including depreciation and amortization, are included within aircraft fuel and related taxes in our income statement.

Operating revenue intersegment sales/other

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Sales to airline segment ⁽¹⁾	\$ (393)	\$ (365)	\$ (780)	\$ (961)
Exchanged products ⁽²⁾	(361)	(618)	(798)	(1,330)
Sales of refined products	(46)	(89)	(86)	(215)
Total operating revenue intersegment sales/other	\$ (800)	\$ (1,072)	\$ (1,664)	\$ (2,506)

⁽¹⁾ Represents transfers, valued on a market price basis, from the refinery to the airline segment for use in airline operations. We determine market price for jet fuel from the refinery by reference to the market index for the primary delivery location, which is New York Harbor.

⁽²⁾ Represents value of products delivered under our exchange agreements, as discussed above, determined on a market price basis.

NOTE 10. EARNINGS PER SHARE

We calculate basic earnings per share by dividing net income by the weighted average number of common shares outstanding, excluding restricted shares. We calculate diluted earnings per share by dividing net income by the weighted average number of common shares outstanding plus the dilutive effect of outstanding share-based instruments, including stock options, restricted stock awards and warrants. Antidilutive common stock equivalents excluded from the diluted earnings per share calculation are not material. The following table shows the computation of basic and diluted earnings per share:

Basic and diluted earnings per share

(in millions, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 1,305	\$ 1,827	\$ 1,342	\$ 1,464
Basic weighted average shares outstanding	641	639	640	639
Dilutive effect of share-based instruments	7	3	7	3
Diluted weighted average shares outstanding	648	642	647	642
Basic earnings per share	\$ 2.04	\$ 2.86	\$ 2.10	\$ 2.29
Diluted earnings per share	\$ 2.01	\$ 2.84	\$ 2.08	\$ 2.28

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Condensed Consolidated Financial Statements and the related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q and our audited Consolidated Financial Statements and related notes included in our 2023 Form 10-K.

June 2024 Quarter Financial Highlights

Our operating income for the June 2024 quarter was \$2.3 billion, a decrease of \$224 million compared to the June 2023 quarter.

Revenue. Compared to the June 2023 quarter, our total revenue increased \$1.1 billion, or 7%, due primarily to an 8% increase in capacity on strong operational performance. Passenger revenue increased 5% resulting from strength in travel demand, particularly for our premium products, partially offset by a decrease in yield. Total revenue, adjusted (a non-GAAP financial measure, which excludes revenue related to refinery sales to third parties) increased in the June 2024 quarter by \$794 million, or 5.4%, compared to the June 2023 quarter.

Operating Expense. Total operating expense in the June 2024 quarter increased \$1.3 billion, or 10%, compared to the June 2023 quarter, primarily due to higher employee costs from increased wages, higher fuel expense and increased costs associated with higher capacity. Total operating expense, adjusted (a non-GAAP financial measure, which primarily excludes expenses related to refinery sales to third parties) in the June 2024 quarter increased \$1.0 billion, or 8%, compared to the June 2023 quarter.

Our total operating cost per available seat mile ("CASM") increased 2% compared to the June 2023 quarter. Non-fuel unit cost ("CASM-Ex", a non-GAAP financial measure) increased 0.6%, primarily due to higher employee costs from increased wages.

Cash Flow. Our cash, cash equivalents, short-term investments and aggregate undrawn principal amount available under our revolving credit facilities ("liquidity") as of June 30, 2024 was \$7.2 billion.

During the June 2024 quarter, operating activities generated \$2.5 billion, primarily from ticket sales. Total cash sales to American Express were \$1.9 billion in the June 2024 quarter, an increase of approximately 9% compared to the June 2023 quarter.

Cash flows used in investing activities during the quarter totaled \$809 million as capital expenditures were partially offset by redemptions of short-term investments. These operating and investing activities yielded free cash flow (a non-GAAP financial measure) of \$1.3 billion in the June 2024 quarter. Additionally, we had cash outflows of \$1.4 billion related to repayments of our debt and finance leases.

The non-GAAP financial measures referenced above for total revenue, adjusted, operating expense, adjusted, CASM-Ex and free cash flow are defined and reconciled in "Supplemental Information" below.

Results of Operations - Three Months Ended June 30, 2024 and 2023**Total Operating Revenue**

(in millions) ⁽¹⁾	Three Months Ended June 30,		Increase (Decrease)	% Increase (Decrease)
	2024	2023		
Ticket - Main cabin	\$ 6,716	\$ 6,694	\$ 22	— %
Ticket - Premium products	5,633	5,135	498	10 %
Loyalty travel awards	975	902	73	8 %
Travel-related services	517	474	43	9 %
Passenger revenue	\$ 13,841	\$ 13,205	\$ 636	5 %
Cargo	199	172	27	16 %
Other	2,618	2,201	417	19 %
Total operating revenue	\$ 16,658	\$ 15,578	\$ 1,080	7 %
TRASM (cents)	22.31 ¢	22.58 ¢	(0.27)¢	(1)%
Third-party refinery sales	(1.68)	(1.40)	(0.28)	20 %
TRASM, adjusted ⁽²⁾	20.64 ¢	21.18 ¢	(0.54)¢	(3)%

⁽¹⁾ Total amounts in the table above may not calculate exactly due to rounding.

⁽²⁾ Total Revenue per available seat mile ("TRASM"), adjusted is a non-GAAP financial measure. For additional information on adjustments to TRASM, see "Supplemental Information" below.

Compared to the June 2023 quarter, total revenue increased \$1.1 billion, or 7%, due primarily to an 8% increase in capacity resulting from strength in travel demand, particularly for our premium products, and strong operational performance, partially offset by a decrease in yield for main cabin.

See "Refinery Segment" below for additional details on the refinery's operations, including third party refinery sales.

Passenger Revenue by Geographic Region

(in millions)	Three Months Ended June 30, 2024	Increase (Decrease) vs. Three Months Ended June 30, 2023						
		Passenger Revenue	RPMs (Traffic)	ASMs (Capacity)	Passenger Mile Yield	PRASM	Load Factor	
Domestic	\$ 9,398	5 %	7 %	8 %	(2)%	(2)%	— pts	
Atlantic	2,825	1 %	— %	2 %	1 %	(1)%	(1) pt	
Latin America	964	4 %	18 %	19 %	(12)%	(12)%	(1) pt	
Pacific	654	23 %	28 %	30 %	(4)%	(5)%	(1) pt	
Total	\$ 13,841	5 %	7 %	8 %	(2)%	(3)%	(1) pt	

Domestic

Domestic passenger revenue increased 5% in the June 2024 quarter compared to the June 2023 quarter on an 8% increase in capacity and a stable load factor. We experienced strong revenue results across the domestic network, with coastal hub markets such as New York and Boston improving significantly compared to the prior year period.

International

International passenger revenue for the June 2024 quarter increased compared to the June 2023 quarter in each geographic region. Demand in the Atlantic region remains robust, with unit revenue down slightly compared to the June 2023 quarter primarily due to the impact from the summer Olympics on travel to Paris. The Pacific and Latin America regions accounted for the majority of international capacity growth on continued network restoration and improving connectivity with our international joint venture partners.

Other Revenue

(in millions)	Three Months Ended June 30,		Increase (Decrease)	% Increase (Decrease)
	2024	2023		
Refinery	\$ 1,251	\$ 965	\$ 286	30 %
Loyalty program	836	774	62	8 %
Ancillary businesses	213	214	(1)	— %
Miscellaneous	318	248	70	28 %
Other revenue	\$ 2,618	\$ 2,201	\$ 417	19 %

Refinery. Refinery sales to third parties increased \$286 million compared to the June 2023 quarter. See "Refinery Segment" below for additional details on the refinery's operations, including third party refinery sales.

Loyalty Program. This relates to revenues from brand usage by third parties and other performance obligations embedded in miles sold, as well as redemption of miles for non-air travel and other awards. These revenues are mainly driven by customer spend on American Express cards and new cardholder acquisitions. Revenues from our relationship with American Express increased compared to the June 2023 quarter due to increased co-brand card spend and more premium card account acquisitions.

Miscellaneous. This is primarily composed of revenues related to lounge access, including access provided to certain American Express cardholders, codeshare agreements and certain other commercial relationships. The increase in revenues compared to the June 2023 quarter was primarily driven by codeshare and other commercial relationships.

Operating Expense

(in millions)	Three Months Ended June 30,		Increase (Decrease)	% Increase (Decrease)
	2024	2023		
Salaries and related costs	\$ 4,012	\$ 3,692	\$ 320	9 %
Aircraft fuel and related taxes	2,813	2,516	297	12 %
Ancillary businesses and refinery	1,463	1,173	290	25 %
Contracted services	1,041	994	47	5 %
Landing fees and other rents	766	617	149	24 %
Aircraft maintenance materials and outside repairs	684	614	70	11 %
Depreciation and amortization	620	573	47	8 %
Passenger commissions and other selling expenses	672	651	21	3 %
Regional carrier expense	580	559	21	4 %
Passenger service	463	442	21	5 %
Profit sharing	519	595	(76)	(13)%
Aircraft rent	138	132	6	5 %
Other	620	529	91	17 %
Total operating expense	\$ 14,391	\$ 13,087	\$ 1,304	10 %

Salaries and Related Costs. The increase in salaries and related costs primarily resulted from the implementation of base pay increases for eligible employees of 5% effective June 1, 2024 and for Delta pilots on January 1, 2024. In June 2024 we also increased the minimum starting wage to \$19 per hour.

Aircraft Fuel and Related Taxes. Aircraft fuel and related taxes increased \$297 million compared to the June 2023 quarter primarily due to a 5% increase in the market price of jet fuel and a 7% increase in consumption on an 8% increase in capacity. We continue to expect that fuel consumption throughout 2024 will increase compared to 2023 aligned with capacity, partially offset by increases in the fuel efficiency of our fleet. The refinery also provided a benefit of six cents per gallon compared to a benefit of four cents per gallon in the June 2023 quarter. We expect jet fuel prices to remain volatile.

See "Refinery Segment" below for additional details on the refinery's operations.

Fuel expense and average price per gallon

(in millions, except per gallon data)	Three Months Ended June 30,			Average Price Per Gallon		
	2024		Increase (Decrease)	Three Months Ended June 30,		Increase (Decrease)
	2024	2023		2024	2023	
Fuel purchase cost ⁽¹⁾	\$ 2,872	\$ 2,557	\$ 315	\$ 2.70	\$ 2.56	\$ 0.14
Fuel hedge impact	1	3	(2)	—	—	—
Refinery segment impact	(60)	(44)	(16)	(0.06)	(0.04)	(0.02)
Total fuel expense	\$ 2,813	\$ 2,516	\$ 297	\$ 2.64	\$ 2.52	\$ 0.12

⁽¹⁾ Market price for jet fuel at airport locations, including related taxes and transportation costs.

Ancillary Businesses and Refinery. Ancillary businesses and refinery includes expenses associated with refinery sales to third parties, aircraft maintenance services we provide to third parties and our vacation wholesale operations. Refinery sales to third parties increased \$286 million compared to the June 2023 quarter. See "Refinery Segment" below for additional details on the refinery's operations, including third party refinery sales.

Landing Fees and Other Rents. The increase in landing fees and other rents primarily resulted from higher rates charged by airports following extensive redevelopment projects at numerous facilities and more flights compared to the June 2023 quarter that contributed to our increased capacity.

Aircraft Maintenance Materials and Outside Repairs. Aircraft maintenance materials and outside repairs increased compared to the June 2023 quarter primarily as a result of investments in the operational reliability of our fleet leading into the peak summer season and higher materials costs.

Other. The increase in other is primarily due to higher volume-related expenses associated with increased capacity, such as flight crew and other employee travel and incidental costs, and inflationary pressures.

Results of Operations - Six Months Ended June 30, 2024 and 2023**Total Operating Revenue**

(in millions) ⁽¹⁾	Six Months Ended June 30,		Increase (Decrease)	% Increase (Decrease)
	2024	2023		
Ticket - Main cabin	\$ 12,141	\$ 11,917	\$ 224	2 %
Ticket - Premium products	10,041	9,151	890	10 %
Loyalty travel awards	1,820	1,645	175	11 %
Travel-related services	970	903	67	7 %
Passenger revenue	\$ 24,972	\$ 23,616	\$ 1,356	6 %
Cargo	377	381	(4)	(1)%
Other	5,057	4,340	717	17 %
Total operating revenue	\$ 30,406	\$ 28,337	\$ 2,069	7 %
TRASM (cents)	21.69 ¢	21.74 ¢	(0.05)¢	— %
Third-party refinery sales	(1.74)	(1.44)	(0.30)	21 %
TRASM, adjusted ⁽²⁾	19.95 ¢	20.30 ¢	(0.35)¢	(2)%

⁽¹⁾ Total amounts in the table above may not calculate exactly due to rounding.

⁽²⁾ TRASM, adjusted is a non-GAAP financial measure. For additional information on adjustments to TRASM, see "Supplemental Information" below.

Unless otherwise discussed below, the changes in total revenue line items, as well as the underlying reasons for these changes, compared to the six months ended June 30, 2023 are consistent with the discussion above under Results of Operations - Three Months Ended June 30, 2024 and 2023.

Compared to the six months ended June 30, 2023, total revenue increased \$2.1 billion, or 7%, due primarily to an 8% increase in capacity resulting from strength in travel demand, particularly for our premium products, and strong operational performance, partially offset by a decrease in yield for main cabin.

Passenger Revenue by Geographic Region

(in millions)	Six Months Ended June 30, 2024	Increase (Decrease) vs. Six Months Ended June 30, 2023					
		Passenger Revenue	RPMs (Traffic)	ASMs (Capacity)	Passenger Mile Yield	PRASM	Load Factor
Domestic	\$ 17,381	5 %	6 %	5 %	(1)%	— %	1 pt
Atlantic	4,130	2 %	2 %	2 %	— %	— %	— pts
Latin America	2,229	8 %	23 %	23 %	(12)%	(12)%	— pts
Pacific	1,232	27 %	31 %	33 %	(3)%	(5)%	(1) pt
Total	\$ 24,972	6 %	8 %	8 %	(2)%	(2)%	— pts

Domestic passenger unit revenue for the six months ended June 30, 2024 increased on strong demand and higher capacity compared to the six months ended June 30, 2023. International passenger revenue for the six months ended June 30, 2024 increased 7% on 12% higher capacity compared to the six months ended June 30, 2023 due to strong demand for international travel, particularly to leisure destinations. The Pacific and Latin America regions accounted for the majority of international capacity growth on continued network restoration.

Other Revenue

(in millions)	Six Months Ended June 30,		Increase (Decrease)	% Increase (Decrease)
	2024	2023		
Refinery	\$ 2,436	\$ 1,882	\$ 554	29 %
Loyalty program	1,631	1,500	131	9 %
Ancillary businesses	393	445	(52)	(12)%
Miscellaneous	597	513	84	16 %
Other revenue	\$ 5,057	\$ 4,340	\$ 717	17 %

Operating Expense

(in millions)	Six Months Ended June 30,		Increase (Decrease)	% Increase (Decrease) ⁽¹⁾
	2024	2023		
Salaries and related costs	\$ 7,803	\$ 7,078	\$ 725	10 %
Aircraft fuel and related taxes	5,410	5,192	218	4 %
Ancillary businesses and refinery	2,833	2,298	535	23 %
Contracted services	2,065	2,004	61	3 %
Landing fees and other rents	1,515	1,201	314	26 %
Aircraft maintenance materials and outside repairs	1,363	1,199	164	14 %
Depreciation and amortization	1,235	1,137	98	9 %
Passenger commissions and other selling expenses	1,222	1,152	70	6 %
Regional carrier expense	1,130	1,117	13	1 %
Passenger service	876	859	17	2 %
Profit sharing	644	667	(23)	(3)%
Aircraft rent	274	264	10	4 %
Pilot agreement and related expenses	—	864	(864)	NM
Other	1,155	1,090	65	6 %
Total operating expense	\$ 27,525	\$ 26,122	\$ 1,403	5 %

⁽¹⁾ Certain variances are labeled as not meaningful ("NM") throughout management's discussion and analysis.

Unless otherwise discussed below, the changes in operating expense line items, as well as the underlying reasons for these changes, compared to the six months ended June 30, 2023 are consistent with the discussion above under Results of Operations - Three Months Ended June 30, 2024 and 2023.

Aircraft Fuel and Related Taxes. Aircraft fuel and related taxes increased \$218 million compared to the six months ended June 30, 2023 due to a 6% increase in consumption on an 8% increase in capacity partially offset by a 5% decrease in the market price per gallon of jet fuel. The refinery also provided a benefit of five cents per gallon compared to a benefit of 14 cents per gallon in the six months ended June 30, 2023.

See "Refinery Segment" below for additional details on the refinery's operations.

Fuel expense and average price per gallon

(in millions, except per gallon data)	Six Months Ended June 30,			Average Price Per Gallon		
	2024		Increase (Decrease)	Six Months Ended June 30,		Increase (Decrease)
	2024	2023		2024	2023	
Fuel purchase cost ⁽¹⁾	\$ 5,490	\$ 5,497	\$ (7)	\$ 2.75	\$ 2.91	\$ (0.16)
Fuel hedge impact	28	(39)	67	0.01	(0.02)	0.03
Refinery segment impact	(108)	(266)	158	(0.05)	(0.14)	0.09
Total fuel expense	\$ 5,410	\$ 5,192	\$ 218	\$ 2.71	\$ 2.75	\$ (0.04)

⁽¹⁾ Market price for jet fuel at airport locations, including related taxes and transportation costs.

Pilot Agreement and Related Expenses. In the March 2023 quarter, Delta pilots ratified a new four-year Pilot Working Agreement effective January 1, 2023. The agreement includes numerous work rule changes and pay rate increases during the four-year term, including an initial pay rate increase of 18%. The agreement also includes a provision for a one-time payment made upon ratification in the March 2023 quarter of \$735 million. Additionally, we recorded adjustments to other benefit-related items of approximately \$130 million.

Non-Operating Results

(in millions)	Three Months Ended June 30,		Favorable (Unfavorable)	Six Months Ended June 30,		Favorable (Unfavorable)
	2024	2023		2024	2023	
Interest expense, net	\$ (188)	\$ (203)	15	\$ (394)	\$ (430)	36
Gain/(loss) on investments, net	(196)	128	(324)	(423)	251	(674)
Loss on extinguishment of debt	(32)	(29)	(3)	(36)	(50)	14
Miscellaneous, net	(78)	(70)	(8)	(133)	(174)	41
Total non-operating expense, net	\$ (494)	\$ (174)	(320)	\$ (986)	\$ (403)	(583)

Interest expense, net. Interest expense, net includes interest expense and interest income. This decreased compared to the prior year primarily due to reduced interest expense resulting from our debt reduction initiatives. During 2023, we made payments of approximately \$4.1 billion related to our debt and finance lease obligations. We have continued to pay down our debt during the six months ended June 30, 2024 with \$2.1 billion of payments on debt and finance lease obligations, including approximately \$900 million of early repayments. This included early extinguishment of \$744 million in principal related to a portion of the SkyMiles Term Loan and various secured and unsecured notes, and approximately \$150 million on finance leases that were scheduled to be paid later in 2024. We continue to seek opportunities to pre-pay our debt, in addition to periodic amortization and scheduled maturities.

Gain/(loss) on investments, net. Changes in the valuation of investments accounted for at fair value are recorded in gain/(loss) on investments, net and are driven by changes in stock prices, foreign currency fluctuations and other valuation techniques for investments in certain companies, particularly those without publicly-traded shares. See Note 4 of the Notes to the Condensed Consolidated Financial Statements for additional information on our equity investments measured at fair value on a recurring basis.

Loss on extinguishment of debt. Loss on extinguishment of debt reflects the losses incurred in the early repayment of certain loans and notes.

Miscellaneous, net. Miscellaneous, net primarily includes employee benefit plans net periodic cost, charitable contributions, our share of our equity method investments' results and foreign exchange gains/(losses).

Income Taxes

We project our annual effective tax rate for 2024 will be between 24% and 26%. In certain periods, we may have adjustments to our net deferred tax liabilities as a result of changes in prior year estimates, mark-to-market adjustments on our equity investments and tax laws enacted during the period, which will impact the effective tax rate for that period.

Refinery Segment

The refinery operated by Monroe primarily produces gasoline, diesel and jet fuel. Monroe exchanges non-jet fuel products the refinery produces with third parties for jet fuel consumed in our airline operations. The jet fuel produced and procured through exchanging gasoline and diesel fuel produced by the refinery typically provides approximately 200,000 barrels per day, or approximately 75% of our consumption, for use in our airline operations. The refinery regularly optimizes its sales and exchange activities based on market conditions. The refinery generated lower operating income in the six months ended June 30, 2024 compared to the six months ended June 30, 2023, primarily as a result of lower pricing in the first half of 2024.

For more information regarding the refinery's results, see Note 9 of the Notes to the Condensed Consolidated Financial Statements.

Refinery segment financial information

(in millions, except per gallon data)	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Exchanged products	\$ 361	\$ 618	\$ (257)	\$ 798	\$ 1,330	\$ (532)
Sales of refined products	46	89	(43)	86	215	(129)
Sales to airline segment	393	365	28	780	961	(181)
Third party refinery sales	1,251	965	286	2,436	1,882	554
Operating revenue	\$ 2,051	\$ 2,037	\$ 14	\$ 4,100	\$ 4,388	\$ (288)
Operating income	\$ 60	\$ 44	\$ 16	\$ 108	\$ 266	\$ (158)
Refinery segment impact on airline average price per fuel gallon	\$ (0.06)	\$ (0.04)	\$ (0.02)	\$ (0.05)	\$ (0.14)	\$ 0.09

Operating Statistics

Consolidated ⁽¹⁾	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Increase (Decrease)	2024	2023	% Increase (Decrease)
Revenue passenger miles (in millions) ("RPM")	65,241	60,804	7 %	119,448	110,491	8 %
Available seat miles (in millions) ("ASM")	74,656	68,993	8 %	140,198	130,345	8 %
Passenger mile yield	21.22 ¢	21.72 ¢	(2) %	20.91 ¢	21.37 ¢	(2) %
Passenger revenue per available seat mile ("PRASM")	18.54 ¢	19.14 ¢	(3) %	17.81 ¢	18.12 ¢	(2) %
Total revenue per available seat mile ("TRASM")	22.31 ¢	22.58 ¢	(1) %	21.69 ¢	21.74 ¢	— %
TRASM, adjusted ⁽²⁾	20.64 ¢	21.18 ¢	(2.6) %	19.95 ¢	20.30 ¢	(2) %
Cost per available seat mile ("CASM")	19.28 ¢	18.97 ¢	2 %	19.63 ¢	20.04 ¢	(2) %
CASM-Ex ⁽²⁾	13.14 ¢	13.06 ¢	0.6 %	13.58 ¢	13.44 ¢	1 %
Passenger load factor	87 %	88 %	(1) pt	85 %	85 %	— pts
Fuel gallons consumed (in millions)	1,066	997	7 %	1,998	1,885	6 %
Average price per fuel gallon ⁽³⁾	\$ 2.64	\$ 2.52	5 %	\$ 2.71	\$ 2.75	(1) %
Average price per fuel gallon, adjusted ⁽²⁾⁽³⁾	\$ 2.64	\$ 2.52	5 %	\$ 2.69	\$ 2.77	(3) %

⁽¹⁾ Includes the operations of our regional carriers under capacity purchase agreements.

⁽²⁾ Non-GAAP financial measures defined and reconciled to TRASM, CASM and average fuel price per gallon, respectively, in "Supplemental Information" below.

⁽³⁾ Includes the impact of fuel hedge activity and refinery segment results.

Fleet Information

Our operating aircraft fleet, purchase commitments and options at June 30, 2024 are summarized in the following table.

Mainline aircraft information by fleet type

Fleet Type	Current Fleet ⁽¹⁾				Average Age (Years)	Commitments	
	Owned	Finance Lease	Operating Lease	Total		Purchase	Options
A220-100	45	—	—	45	4.5		
A220-300	26	—	—	26	1.9	74	
A319-100	57	—	—	57	22.3		
A320-200	60	—	—	60	28.7		
A321-200	70	15	42	127	5.5		
A321-200neo	61	—	—	61	1.1	94	70
A330-200	11	—	—	11	19.2		
A330-300	28	—	3	31	15.4		
A330-900neo	20	2	5	27	2.5	12	10
A350-900	19	—	11	30	5.2	14	10
A350-1000	—	—	—	—	—	20	
B-717-200	10	70	—	80	22.8		
B-737-800	73	4	—	77	22.8		
B-737-900ER	114	—	49	163	8.5		
B-737-10	—	—	—	—	—	100	30
B-757-200	94	—	—	94	26.6		
B-757-300	16	—	—	16	21.4		
B-767-300ER	43	—	—	43	28.1		
B-767-400ER	21	—	—	21	23.5		
Total	768	91	110	969	14.9	314	120

⁽¹⁾ Excludes certain aircraft we own or lease that are operated by regional carriers on our behalf shown in the table below.

The table below summarizes the aircraft operated by regional carriers on our behalf at June 30, 2024.

Regional aircraft information by fleet type and carrier

Carrier	Fleet Type ⁽¹⁾⁽²⁾				Total
	CRJ-700	CRJ-900	Embraer 170	Embraer 175	
Endeavor Air, Inc. ⁽³⁾	9	120	—	—	129
SkyWest Airlines, Inc.	8	37	—	85	130
Republic Airways, Inc.	—	—	11	46	57
Total	17	157	11	131	316

⁽¹⁾ We own 192 and have operating leases for three of these regional aircraft. The remainder are owned or leased by SkyWest Airlines, Inc. or Republic Airways, Inc.

⁽²⁾ Excluded from the total operating count above are nine CRJ-700 and three CRJ-900 aircraft which are owned and temporarily parked as of June 30, 2024.

⁽³⁾ Endeavor Air, Inc. is a wholly owned subsidiary of Delta.

Financial Condition and Liquidity

As of June 30, 2024, we had \$7.2 billion in cash, cash equivalents, short-term investments and aggregate undrawn principal amount available under our revolving credit facilities ("liquidity"). We expect to meet our liquidity needs for the next twelve months with cash and cash equivalents, short-term investments and cash flows from operations. We expect to meet our long-term liquidity needs with cash flows from operations and financing arrangements.

Undrawn Lines of Credit. As of June 30, 2024, we had approximately \$2.9 billion undrawn and available under our revolving credit facilities.

Sources and Uses of Liquidity

Operating Activities

We generated cash flows from operations of \$4.9 billion and \$4.8 billion in the six months ended June 30, 2024 and 2023, respectively. We expect to continue generating positive cash flows from operations during the remainder of 2024.

Our operating cash flow is impacted by the following factors:

Seasonality of Advance Ticket Sales. We sell tickets for air travel in advance of the customer's travel date. When we receive a cash payment at the time of sale, we record the cash received on advance sales as deferred revenue in air traffic liability. The air traffic liability typically increases during the winter and spring months as advance ticket sales grow prior to the summer peak travel season and decreases during the summer and fall months.

Fuel. Fuel expense represented approximately 20% of our total operating expense for the six months ended June 30, 2024 and 2023. The market price for jet fuel is volatile, which can impact the comparability of our periodic cash flows from operations. For example, the market price for jet fuel was 5% higher in the June 2024 quarter compared to the June 2023 quarter after it was 15% lower in the March 2024 quarter compared to the March 2023 quarter. Fuel consumption was higher during the three and six months ended June 30, 2024 compared to the prior year period due to the increase in capacity. We continue to expect that fuel consumption throughout 2024 will increase compared to 2023 aligned with capacity, partially offset by increases in the fuel efficiency of our fleet.

Profit Sharing. We paid \$1.4 billion in profit sharing payments in February 2024 related to our 2023 pre-tax profit in recognition of our employees' contributions toward achieving the year's financial results. This is an increase compared to our profit sharing payment made in February 2023 of \$563 million related to our 2022 pre-tax profit.

Our broad-based employee profit sharing program provides that for each year in which we have an annual pre-tax profit, as defined by the terms of the program, we will pay a specified portion of that profit to eligible employees. In determining the amount of profit sharing, the program defines profit as pre-tax profit adjusted for profit sharing and certain other items. During the six months ended June 30, 2024, we accrued \$644 million in profit sharing expense based on the year-to-date performance and current expectations for 2024 profit.

Sale of Miles to Participating Companies. Customers earn miles based on their spending with participating companies such as credit card, retail, ridesharing, car rental and hotel companies with which we have marketing agreements to sell miles. Payments are typically due to us monthly based on the volume of miles sold during the period. Our most significant contract to sell miles relates to our co-brand credit card relationship with American Express. Total cash sales to American Express were \$3.6 billion in the six months ended June 30, 2024, an increase of 7% compared to the prior year period. See Note 2 of the Notes to the Condensed Consolidated Financial Statements for further information regarding the cash sales from marketing agreements.

Investing Activities

Short-Term Investments. During the six months ended June 30, 2024, we redeemed a net of \$1.0 billion in short-term investments. See Note 3 of the Notes to the Condensed Consolidated Financial Statements for further information on these investments.

Capital Expenditures. Our capital expenditures were \$2.5 billion for each of the six months ended June 30, 2024 and 2023. We have committed to future aircraft purchases and have obtained, but are under no obligation to use, long-term financing commitments for a substantial portion of the purchase price of the aircraft. Our expected 2024 capital spend of approximately \$5.0 billion, excluding the New York-LaGuardia airport project discussed below, will be primarily for aircraft, including deliveries and advance deposit payments, as well as fleet modifications and technology enhancements and may vary depending on financing decisions.

New York-LaGuardia Redevelopment. As part of the terminal redevelopment project at LaGuardia Airport, we are partnering with the Port Authority of New York and New Jersey to replace Terminals C and D with a new state-of-the-art terminal facility. Construction is ongoing with completion expected by the end of 2024.

Using funding primarily provided by existing financing arrangements and other sources of funding, we expect to spend approximately \$400 million on this project during 2024, of which \$163 million was incurred in the six months ended June 30, 2024.

Financing Activities

Debt and Finance Leases. In the six months ended June 30, 2024, we had cash outflows of \$2.1 billion related to repayments of our debt and finance lease obligations, including approximately \$900 million of early repayments. This included early extinguishment of \$744 million in principal related to a portion of the SkyMiles Term Loan and various secured and unsecured notes, and approximately \$150 million on finance leases that were scheduled to be paid later in 2024. We continue to seek opportunities to pre-pay our debt, in addition to periodic amortization and scheduled maturities.

In February 2024, Moody's credit rating agency affirmed our credit rating and upgraded its outlook for Delta to positive.

Capital Return to Shareholders. In the June 2024 quarter, the Board of Directors approved a quarterly dividend of \$0.10 per share, which we paid on June 4, 2024 for total cash dividends of \$64 million. Total cash dividends for the six months ended June 30, 2024 were \$128 million.

On June 20, 2024, the Board of Directors approved and we will pay a quarterly dividend of \$0.15 per share on August 20, 2024 to shareholders of record as of July 30, 2024.

Covenants. We were in compliance with the covenants in our debt agreements at June 30, 2024.

Critical Accounting Estimates

There have been no material changes in our Critical Accounting Estimates from the information provided in the "Critical Accounting Estimates" section of "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Form 10-K.

Supplemental Information

We sometimes use information (non-GAAP financial measures) that is derived from the Condensed Consolidated Financial Statements, but that is not presented in accordance with GAAP. Under the U.S. Securities and Exchange Commission rules, non-GAAP financial measures may be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results.

Included below are reconciliations of non-GAAP measures used within this Form 10-Q to the most directly comparable GAAP financial measures. Reconciliations below may not calculate exactly due to rounding. These reconciliations include certain adjustments to GAAP measures to provide comparability between the reported periods, if applicable, and for the reasons indicated below:

- *Third-party refinery sales.* Refinery sales to third parties, and related expenses, are not related to our airline segment. Excluding these sales therefore provides a more meaningful comparison of our airline operations to the rest of the airline industry.
- *MTM adjustments and settlements on hedges.* Mark-to-market ("MTM") adjustments are defined as fair value changes recorded in periods other than the settlement period. Such fair value changes are not necessarily indicative of the actual settlement value of the underlying hedge in the contract settlement period, and therefore we remove this impact to allow investors to better understand and analyze our core performance. Settlements represent cash received or paid on hedge contracts settled during the applicable period.
- *Aircraft fuel and related taxes.* The volatility in fuel prices impacts the comparability of year-over-year financial performance. The adjustment for aircraft fuel and related taxes allows investors to better understand and analyze our non-fuel costs and year-over-year financial performance.
- *Profit sharing.* We adjust for profit sharing because this adjustment allows investors to better understand and analyze our recurring cost performance and provides a more meaningful comparison of our core operating costs to the airline industry.
- *One-time pilot agreement expenses.* In the March 2023 quarter, Delta pilots ratified a new four-year Pilot Working Agreement effective January 1, 2023. The agreement included a provision for a one-time payment made upon ratification in the March 2023 quarter of \$735 million. Additionally, we recorded adjustments to other benefit-related items of approximately \$130 million. Adjusting for these expenses allows investors to better understand and analyze our core cost performance.

Total revenue, adjusted reconciliation

(in millions)	Three Months Ended June 30,	
	2024	2023
Total revenue	\$ 16,658	\$ 15,578
Adjusted for:		
Third-party refinery sales	(1,251)	(965)
Total revenue, adjusted	\$ 15,407	\$ 14,613

Operating expense, adjusted reconciliation

(in millions)	Three Months Ended June 30,	
	2024	2023
Operating expense	\$ 14,391	\$ 13,087
Adjusted for:		
Third-party refinery sales	(1,251)	(965)
MTM adjustments and settlements on hedges	(1)	(3)
Operating expense, adjusted	\$ 13,138	\$ 12,119

Fuel expense, adjusted reconciliation

(in millions, except per gallon data)	Three Months Ended June 30,		Average Price Per Gallon	
	Three Months Ended June 30,		Three Months Ended June 30,	
	2024	2023	2024	2023
Total fuel expense	\$ 2,813	\$ 2,516	\$ 2.64	\$ 2.52
Adjusted for:				
MTM adjustments and settlements on hedges	(1)	(3)	—	—
Total fuel expense, adjusted	\$ 2,811	\$ 2,513	\$ 2.64	\$ 2.52

(in millions, except per gallon data)	Six Months Ended June 30,		Average Price Per Gallon	
	Six Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Total fuel expense	\$ 5,410	\$ 5,192	\$ 2.71	\$ 2.75
Adjusted for:				
MTM adjustments and settlements on hedges	(28)	39	(0.01)	0.02
Total fuel expense, adjusted	\$ 5,382	\$ 5,231	\$ 2.69	\$ 2.77

TRASM, adjusted reconciliation

	Three Months Ended June 30,		Six Months Ended June 30,	
	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
TRASM (cents)	22.31 ¢	22.58 ¢	21.69 ¢	21.74 ¢
Adjusted for:				
Third-party refinery sales	(1.68)	(1.40)	(1.74)	(1.44)
TRASM, adjusted	20.64 ¢	21.18 ¢	19.95 ¢	20.30 ¢

CASM-Ex reconciliation

	Three Months Ended June 30,		Six Months Ended June 30,	
	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
CASM (cents)	19.28 ¢	18.97 ¢	19.63 ¢	20.04 ¢
Adjusted for:				
Aircraft fuel and related taxes	(3.77)	(3.65)	(3.86)	(3.98)
Third-party refinery sales	(1.68)	(1.40)	(1.74)	(1.44)
Profit sharing	(0.70)	(0.86)	(0.46)	(0.51)
One-time pilot agreement expenses	—	—	—	(0.66)
CASM-Ex	13.14 ¢	13.06 ¢	13.58 ¢	13.44 ¢

Free Cash Flow

The following table shows a reconciliation of net cash provided by operating and used in investing activities (GAAP measures) to free cash flow (a non-GAAP financial measure). We present free cash flow because management believes this metric is helpful to investors to evaluate the company's ability to generate cash that is available for use for debt service or general corporate initiatives. Adjustments include:

- *Net redemptions of short-term investments.* Net redemptions of short-term investments represent the net purchase and sale activity of investments and marketable securities in the period, including gains and losses. We adjust for this activity to provide investors a better understanding of the company's free cash flow generated by our operations.
- *Net cash flows related to certain airport construction projects and other.* Cash flows related to certain airport construction projects are included in our GAAP operating activities and capital expenditures. We have adjusted for these items because management believes investors should be informed that a portion of these capital expenditures from airport construction projects are either reimbursed by a third party or funded with restricted cash specific to these projects.

Free cash flow reconciliation

(in millions)	Three Months Ended June 30,	
	2024	
Net cash provided by operating activities	\$	2,450
Net cash used in investing activities		(809)
Adjusted for:		
Net redemptions of short-term investments		(467)
Net cash flows related to certain airport construction projects and other		99
Free cash flow	\$	1,274

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risk from the information provided in "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in our Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Our management, including our Chief Executive Officer and Chief Financial Officer, performed an evaluation of our disclosure controls and procedures, which have been designed to permit us to identify and disclose important information timely and effectively. Our management, including our Chief Executive Officer and Chief Financial Officer, concluded that the controls and procedures were effective as of June 30, 2024 to ensure that material information was accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

During the three months ended June 30, 2024, we did not make any changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

"Item 3. Legal Proceedings" of our Form 10-K includes a discussion of our legal proceedings. There have been no material changes from the legal proceedings described in our Form 10-K.

ITEM 1A. RISK FACTORS

"Item 1A. Risk Factors" of our Form 10-K includes a discussion of our known material risk factors, other than risks that could apply to any issuer or offering. There have been no material changes from the risk factors described in our Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table presents information with respect to purchases of common stock we made during the June 2024 quarter. The table reflects shares withheld from employees to satisfy certain tax obligations due in connection with grants of stock under the Delta Air Lines, Inc. Performance Compensation Plan (the "Plan"). The Plan provides for the withholding of shares to satisfy tax obligations. It does not specify a maximum number of shares that can be withheld for this purpose. The shares of common stock withheld to satisfy tax withholding obligations may be deemed to be "issuer purchases" of shares that are required to be disclosed pursuant to this Item.

Shares purchased / withheld from employee awards during the June 2024 quarter

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Approximate Dollar Value (in millions) of Shares That May Yet be Purchased Under the Plan
April 2024	6,232	\$ 47.89	6,232	\$ —
May 2024	2,059	\$ 51.52	2,059	\$ —
June 2024	20,299	\$ 50.55	20,299	\$ —
Total	28,590		28,590	

ITEM 6. EXHIBITS

(a) Exhibits

- 3.1(a) [Delta's Amended and Restated Certificate of Incorporation \(Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on April 30, 2007\).](#)*
- 3.1 (b) [Amendment to Amended and Restated Certificate of Incorporation \(Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on June 27, 2014\).](#)*
- 3.2 [Delta's Bylaws \(Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on December 9, 2022\).](#)*
- 4.1 [Description of Registrant's Securities \(Filed as Exhibit 4.1 to Delta's Annual Report on Form 10-K for the year ended December 31, 2020\).](#)*
- 10.1 [Terms of 2024 Restricted Stock Awards for Non-Employee Directors.](#)
- 10.2 [Description of Certain Benefits of Members of the Board and Executive Officers.](#)
- 15 [Letter from Ernst & Young LLP regarding unaudited interim financial information.](#)
- 31.1 [Certification by Delta's Chief Executive Officer with respect to Delta's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024.](#)
- 31.2 [Certification by Delta's Chief Financial Officer with respect to Delta's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024.](#)
- 32 [Certification pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code by Delta's Chief Executive Officer and Chief Financial Officer with respect to Delta's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024.](#)
- 101.INS Inline XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
- 101.SCH Inline XBRL Taxonomy Extension Schema Document
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB Inline XBRL Taxonomy Extension Labels Linkbase Document
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 104 The cover page from this Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted in Inline XBRL (included in Exhibit 101)

* Incorporated by reference.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Delta Air Lines, Inc.
(Registrant)

/s/ William C. Carroll
William C. Carroll
Senior Vice President - Controller
(Principal Accounting Officer)

July 11, 2024

TERMS OF 2024 RESTRICTED STOCK AWARD¹

Participants: All members of Delta’s Board of Directors (the “**Board**”) who are not employees of Delta (“**Non-Employee Directors**”), which includes the Chair of the Board (the “**Chair**”). These directors are:

Maria Black	Michael P. Huerta
Willie CW Chiang	Vasant M. Prabhu
Greg Creed	Sergio A. L. Rial
David G. DeWalt	David S. Taylor (Chair)
Leslie D. Hale	Kathy N. Waller

Type of Award: Restricted Stock, as defined and granted under the Delta Air Lines, Inc. Performance Compensation Plan (the “**Performance Compensation Plan**”).

Grant Date: June 20, 2024

Number of

Shares: The number of shares of Restricted Stock granted to each Non-Employee Director other than the Chair equals the result of the following formula: \$200,000 divided by Y, where

Y = the closing price of Delta Common Stock, par value \$0.0001 per share, on the New York Stock Exchange on the Grant Date.

The number of shares of Restricted Stock granted to the Chair equals the result of the following formula: \$320,000 divided by Y.

Partial Shares: Any partial shares resulting from the above formula will be ignored and the aggregate shares of Restricted Stock for each Non-Employee Director will be rounded up to the nearest whole ten shares.

Vesting: Each grant awarded to a Non-Employee Director under the terms of this Attachment A (a “**2024 Grant**”) will vest (the “**Vesting Date**”) on the earlier of (1) June 20, 2025 and (2) the date of Delta’s 2025 Annual Meeting of Stockholders, subject to such Non-Employee Director’s continued service as a member of the Board on the Vesting Date.

¹ In accordance with these terms, each Non-Employee Director other than the Chair of the Board received 4,040 shares of Restricted Stock on June 20, 2024. This is equal to \$200,000 divided by \$49.61 (the closing price of Delta Common Stock on the New York Stock Exchange (“**NYSE**”) on June 20, 2024), rounded up to the nearest whole ten shares. The Chair of the Board received 6,460 shares of Restricted Stock on June 20, 2024. This is equal to \$320,000 divided by \$49.61 (the closing price of Delta Common Stock on the NYSE on June 20, 2024), rounded up to the nearest whole ten shares.

Accelerated

Vesting: Notwithstanding the foregoing, accelerated vesting will occur prior to the Vesting Date as follows: individual 2024 Grants will immediately vest on the date such Non-Employee Director ceases to be a member of the Board due to death, Disability or Retirement. For purposes of the 2024 Grant, (1) “**Disability**” means the Non-Employee Director’s inability to perform his or her duties as a member of the Board for a period of 180 or more days as a result of a demonstrable injury or disease and (2) “**Retirement**” means retiring from the Board (i) at or after age 52 with at least ten years of service as a director; (ii) at or after age 68 with at least five years of service as a director; or (iii) at the Non-Employee Director’s mandatory retirement date.

Forfeiture: Except as expressly set forth above, a Non-Employee Director will immediately forfeit any unvested Restricted Stock on the date such Non-Employee Director ceases to be a member of the Board for any reason, other than due to death, Disability or Retirement.

Dividends: In the event a cash dividend is paid with respect to shares of Delta Common Stock at a time during which the 2024 Grant is unvested, the Non-Employee Director will be eligible to receive the dividend when the 2024 Grant vests.

**Description of Certain Benefits
of Members of the Board of Directors and Executive Officers**

Delta provides certain flight benefits to members of its Board of Directors and provides certain benefits to its executive officers. Delta reserves the right to change, amend or terminate these programs, consistent with their terms, at any time for any reason for both active and retired directors and employees.

Flight Benefits: As is common in the airline industry, Delta provides complimentary travel and certain Delta Sky Club privileges for members of the Board of Directors; executive officers; the director's or officer's spouse, domestic partner or designated companion (including, in certain circumstances, the director's or officer's surviving spouse or domestic partner); the director's or officer's children and parents; and, to a limited extent, other persons designated by the director or officer ("Flight Benefits"). Complimentary travel for such other persons is limited to an aggregate imputed value of \$35,000 per year for the CEO and President; \$20,000 per year for directors; \$15,000 per year for executive vice presidents; and \$12,500 per year for senior vice presidents. Delta reimburses directors and officers for associated taxes on complimentary travel with an imputed tax value of up to \$40,000 per year for the CEO and President; \$25,000 per year for directors; \$20,000 per year for executive vice presidents; and \$17,500 per year for senior vice presidents. Unused portions of the annual allowances described in the previous two sentences accumulate and may be carried into succeeding years during Board service or employment.

A director who retires from the Board at or after age 52 with at least 10 years of service as a director, at or after age 68 with at least five years of service as a director, or at his mandatory retirement date, may continue to receive Flight Benefits during retirement, except the unused portion of the annual allowances does not accumulate into succeeding years ("Retired Director Flight Benefits"). A director who served on the Board of Directors during the period beginning on the date Delta entered into the merger agreement with Northwest and ending on the date the merger occurred, or who joined the Board of Directors on the date the merger occurred, will receive, at the completion of his Board service (other than due to death or due to removal by stockholders for cause), a vested right to Retired Director Flight Benefits, regardless of the director's age and years of service when his Board service ends. A director is not eligible to receive Retired Director Flight Benefits if the director engages in certain wrongful acts. The director designated by the Delta Master Executive Council, the governing body of the Delta unit of the Air Line Pilots Association, International, does not receive Flight Benefits or Retired Director Flight Benefits.

An executive officer who retires from Delta (i) at or after age 52 with at least 10 years of service, or (ii) at any age with at least 25 years of service (with at least 10 years of consecutive service from the officer's most recent date of hire), may continue to receive Flight Benefits during retirement, except the unused portion of the annual allowances does not accumulate into succeeding years ("Retired Officer Flight Benefits"). An executive officer who is at least age 45 with 10 years of service and whose (i) employment is terminated without cause or for any other reason that would entitle that person to benefits under Delta's Officer and Director Severance Plan ("Severance Plan") and (ii) combined age and years of service equal 60 or more will be eligible for the Retired Officer Flight Benefits. In addition, for an executive officer that becomes eligible for benefits under Severance Plan but does not meet the definition of retirement or whose combined age and years of service do not equal at least 60, the executive officer will receive an allotment of 32 one-way positive-space flight passes after expiration of the Flight Benefits available under the Severance Plan. This allotment will continue until the fifth anniversary of the executive officer's severance date or, if the officer has less than five years of service with Delta, the number of months the officer was employed with Delta. In exchange for certain non-competition, non-solicitation and confidentiality covenants for the benefit of Delta and a general release of claims against Delta, an officer who served in that capacity during the period beginning on the date Delta entered into the merger agreement with Northwest and ending on the date on which the merger occurred or who joined Delta from Northwest on the date the merger occurred and who had been a Northwest officer on the date Delta entered into the merger agreement, will receive, on his termination of employment (other than by death or by Delta for cause), a vested right to Retired Officer Flight Benefits, regardless of the officer's age and years of service at his termination of employment.

Notwithstanding the foregoing, a person who is first elected to the Board of Directors or as an officer on or after June 8, 2009, will not receive reimbursement for taxes for Retired Director Flight Benefits or Retired Officer Flight Benefits, respectively. Delta also does not provide any reimbursement for taxes associated with travel by the surviving spouse or domestic partner of any director or officer.

Annual Physicals: Delta requires executive officers to obtain a comprehensive annual physical examination. Delta pays the cost of this required examination, which is limited to a prescribed set of preventive procedures based on the person's age and gender.

July 11, 2024

The Board of Directors and Stockholders of
Delta Air Lines, Inc.

We are aware of the incorporation by reference in the Registration Statements (Form S-3 No.'s 333-262678 and 333-272728 and Form S-8 No.'s 333-142424, 333-149308, 333-154818, 333-151060, and 333-212525) of Delta Air Lines, Inc. for the registration of its securities of our report dated July 11, 2024 relating to the unaudited condensed consolidated interim financial statements of Delta Air Lines, Inc. that are included in its Form 10-Q for the quarter ended June 30, 2024.

/s/ Ernst & Young LLP

I, Edward H. Bastian, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Delta Air Lines, Inc. ("Delta") for the quarterly period ended June 30, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Delta as of, and for, the periods presented in this report;
4. Delta's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Delta and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Delta, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of Delta's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in Delta's internal control over financial reporting that occurred during Delta's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Delta's internal control over financial reporting; and
5. Delta's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Delta's auditors and the Audit Committee of Delta's Board of Directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Delta's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Delta's internal control over financial reporting.

July 11, 2024

/s/ Edward H. Bastian

Edward H. Bastian

Chief Executive Officer

I, Daniel C. Janki, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Delta Air Lines, Inc. ("Delta") for the quarterly period ended June 30, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Delta as of, and for, the periods presented in this report;
4. Delta's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Delta and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Delta, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of Delta's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in Delta's internal control over financial reporting that occurred during Delta's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Delta's internal control over financial reporting; and
5. Delta's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Delta's auditors and the Audit Committee of Delta's Board of Directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Delta's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Delta's internal control over financial reporting.

July 11, 2024

/s/ Daniel C. Janki

Daniel C. Janki

Executive Vice President and Chief Financial Officer

July 11, 2024
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Ladies and Gentlemen:

The certifications set forth below are hereby submitted to the Securities and Exchange Commission pursuant to, and solely for the purpose of complying with, Section 1350 of Chapter 63 of Title 18 of the United States Code in connection with the filing on the date hereof with the Securities and Exchange Commission of the quarterly report on Form 10-Q of Delta Air Lines, Inc. ("Delta") for the quarterly period ended June 30, 2024 (the "Report").

Each of the undersigned, the Chief Executive Officer and the Executive Vice President and Chief Financial Officer, respectively, of Delta, hereby certifies that, as of the end of the period covered by the Report:

1. such Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Delta.

/s/ Edward H. Bastian

Edward H. Bastian
Chief Executive Officer

/s/ Daniel C. Janki

Daniel C. Janki
Executive Vice President and Chief Financial Officer