

Air France-KLM 2023 Investor Day

December 14, 2023

Air France-KLM to reinforce its European leadership by building on a strong business profile, to offer best in class products, accelerate transformation and deliver sustainable growth & commitments combined with profitable results.

- Operating margin outlook revised upwards: above 8% over the 2026-2028 period
 - Inaugural credit ratings: *Investment Grade* “BBB-“ by Fitch; “BB+” by S&P Global Ratings with both Stable Outlook
-

Air France-KLM is hosting today at 2pm CET its 2023 Investor Day. On this occasion, Benjamin Smith, Chief Executive Officer of Air France-KLM, joined by members of the Executive Committee, will present the strategic ambitions and financial trajectory for the next five years.

Benjamin Smith, CEO of Air France-KLM, said: *“The transformation we have embarked on since 2019 at Air France-KLM has produced solid results, enabling us to rejoin the top tier of European leaders in the airline industry. We have delivered on our commitments, and I am particularly proud of the hard work carried out by all our teams to achieve these results, in a context marked by powerful headwinds. We are now well positioned to accelerate further and capture the full potential of our Group's assets to deliver sustained and more profitable growth, while achieving the ambitious targets we have set ourselves for reducing our environmental impact.”*

Air France-KLM's Investor Day agenda covers the following key priorities:

- Improve market positions and increase revenue initiatives while continuing cost savings and simplification across all businesses.
- Lead the way in sustainable aviation by reaffirming its 2030 targets and supporting the development of SAF production capabilities around the world, through offtake agreements and direct investments.
- Focus further on Transavia's growth and unit cost reduction to secure its number one position as LCC in the Netherlands and in Paris and capture the full potential of Paris-Orly network.
- Maximise customer satisfaction and loyalty through superior service and enhanced operational excellence.
- Expand the revenue contribution of Flying Blue, through growth prospect and higher value proposition to customers with airline partners and targeted enlargement of the non-airline partnerships.
- Consolidate the Engineering & Maintenance market position as a world-leading multi-product profitable provider.
- Position the Cargo business as leader in sustainable airfreight, while delivering best-in-class customer experiences.
- Strengthen and develop the Group's alliances and partners' network and explore new growth opportunities through strategic consolidation.

Through disciplined capital allocation and a focused capital expenditures program, Air France-KLM will continue to invest in fleet renewal and maintenance to improve its economic performance and reduce its CO₂ emissions and noise pollution. For such, the Group estimates net capital expenditures of €3.0 to 3.5 billion per year between 2024 and 2026, and €3.5 to 3.8 billion per year in 2027 and 2028.

Based on a further acceleration of its transformation program and an enhanced cost effectiveness, the Group's operating result is expected to improve by €2.0 billion over the next five years across all businesses.

The Group confirms its 2024-2026 outlook and sets the following targets for the 2026-2028 period:

- A further profitability increase, with an operating margin above 8%;
- A further unit cost reduction, thanks in particular to the acceleration of the transformation program;
- A continued improvement on cash generation, to deliver a significantly positive adjusted operating free cash-flow;
- A continued optimization of the Group's financial profile, with long-term credit ratings at investment grade level.

Air France-KLM today announces two inaugural long-term issuer credit ratings:

- **Investment Grade “BBB-“ with Outlook Stable by Fitch**
- **“BB+” with Outlook Stable by S&P Global Ratings**

Air France-KLM is now rated *Investment Grade* with a “BBB-“ with a Stable Outlook by Fitch and with a “BB+” with a Stable Outlook by S&P Global Ratings. This solid outcome is the testimony of the Group's robust operational performance, a notably improved financial structure with a solid liquidity and strong recovery following the Covid-19 pandemic.

Both agencies have highlighted that Air France-KLM is one of the largest global airline groups with leading positions at major hubs, benefitting from one of the world's largest and most diversified network as well as a full service offering with MRO and Cargo businesses combined.

The live event will start at 2:00pm CET and can be accessed via the following link: <https://www.yuca.tv/en/air-france-klm/investor-day-2023>

Documentation will be available on the Air France-KLM website (www.airfranceklm.com) on December 14, 2023, from 8.30am CET.

Investors Relations

Michiel Klinkers

michiel.klinkers@airfranceklm.com

Website: www.airfranceklm.com

Marouane Mami

marouane.mami@airfranceklm.com