

Note A: Scheduled capacity, also referred to as available seat miles or ASMs and which we have historically presented as a capacity measure, equals the total number of seats available for transporting passengers during a reporting period multiplied by the total number of miles flown during that period. **Sellable capacity** refers to available seat miles after giving effect to blocked seats. Cost and revenue unit metrics in this release, including all measures presented in the statistical summary and in Note B, are calculated on the basis of scheduled capacity. **Fuel efficiency** refers to the percentage change in fuel consumption rate period over period, which is calculated as fuel gallons consumed divided by ASMs.

Note B: The following tables show reconciliations of non-GAAP financial measures. The reasons Delta uses these measures are described below. Reconciliations may not calculate due to rounding.

Delta sometimes uses information ("non-GAAP financial measures") that is derived from the Consolidated Financial Statements, but that is not presented in accordance with accounting principles generally accepted in the U.S. ("GAAP"). Under the 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. The tables below show reconciliations of non-GAAP financial measures used in this release to the most directly comparable GAAP financial measures.

Forward Looking Projections. Delta is not able to reconcile forward looking non-GAAP financial measures because the adjusting items such as those used in the reconciliations below will not be known until the end of the period and could be significant.

Cash (Burn)/Generation. We present cash (burn)/generation because management believes this metric is helpful to investors to evaluate the company's ability to maintain liquidity and return to cash generation. The company defines cash (burn)/generation as net cash from operating activities and net cash from investing activities, adjusted for (i) net (redemptions)/purchases of short-term investments, (ii) strategic investments and related, (iii) net cash flows related to certain airport construction projects and other, (iv) aircraft financing arrangements, (v) government grant proceeds, and (vi) other charges that are not representative of our core operations, such as charges associated with our voluntary separation and early retirement programs. Adjustments include:

Net (redemptions)/purchases of short-term investments. Net (redemptions)/purchases 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.

Strategic investments and related. Cash flows related to our investments in and related transactions with other airlines are included in our GAAP investing activities. We adjust for this activity because it provides a more meaningful comparison to our airline industry peers.

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, which were primarily funded by cash restricted for airport construction, to provide investors a better understanding of the company's free cash flow and capital expenditures that are core to our operations in the periods shown.

Aircraft financing arrangements. Cash flows from payments reported within investing activities related to the purchase of aircraft that are fully financed in the period are removed from free cash flow in calculating daily cash burn to better illustrate the cash generated from our core operations.

Government grant proceeds. Cash flows related to the PSP Extension grant proceeds, reported within operating activities in GAAP results. We adjust free cash flow for this item in calculating daily cash burn to better illustrate the cash from our core operations.

Voluntary programs. Cash flows from the voluntary separation and early retirement programs offered to employees during 2020, reported within operating activities in GAAP results. We adjust free cash flow for this item in calculating daily cash burn to better illustrate the cash from our core operations.

(in millions)	Three Months Ended March 31, 2021	Month Ended March 31, 2021	Three Months Ended December 31, 2020
Net cash provided by/(used in) operating activities	\$ 691	\$ 1,079	\$ (1,286)
Net cash (used in)/provided by investing activities	(60)	419	(1,048)
Adjustments:			
Net (redemptions)/purchases of short-term investments	(210)	(531)	745
Strategic investments and related	(19)	—	(142)
Net cash flows related to certain airport construction projects and other	308	62	116
Total free cash flow	\$ 710	\$ 1,030	\$ (1,615)
Aircraft financing arrangements	170	57	310
Government grant proceeds	(2,033)	(1,001)	—
Voluntary programs	144	43	206
Adjusted free cash flow	\$ (1,009)	\$ 128	\$ (1,099)
Days in period	90	31	92
Average daily cash (burn)/generation	\$ (11)	\$ 4	\$ (12)

Pre-Tax Loss, adjusted. In the current period, pre-tax loss, adjusted excludes the following items directly related to the impact of COVID-19 and our response for comparability with the prior period:

Restructuring charges. During 2020, we recorded restructuring charges, including certain accruals, following strategic business decisions in response to the COVID-19 pandemic. In the March quarter 2021, we recognized \$44 million of adjustments to certain of those restructuring charges, representing changes in our estimates.

Government grant recognition. We recognized \$1.2 billion of the grant proceeds from the first payroll support program extension as a contra-expense. We are recognizing the grant proceeds as contra-expense based on the periods that the funds are intended to compensate and expect to use all proceeds from the first payroll support program extension by the end of the June quarter 2021.

Impairments and equity method losses. These adjustments relate to recording our share of the losses recorded by our equity method investees.

Loss on extinguishment of debt. This adjustment relates to early termination of a portion of our debt that was incurred during the COVID-19 pandemic.

We also regularly adjust pre-tax loss for the following items to determine pre-tax loss, adjusted for the reasons described below.

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. Settlements represent cash received or paid on hedge contracts settled during the applicable period.

MTM adjustments on investments. Unrealized gains/losses result from our equity investments that are accounted for at fair value in non-operating expense. These gains/losses are driven by changes in stock prices, foreign currency fluctuations and other valuation techniques for investments in companies without publicly-traded shares. Adjusting for these gains/losses allows investors to better understand and analyze our core operational performance in the periods shown.

	Three Months Ended	
	March 31, 2021	
	Pre-Tax	
	Loss	
(in millions)		
GAAP	\$	(1,515)
Adjusted for:		
Restructuring charges		(44)
Government grant recognition		(1,186)
Impairments and equity method losses		54
Loss on extinguishment of debt		56
MTM adjustments and settlements on hedges		(23)
MTM adjustments on investments		(262)
Non-GAAP	\$	(2,919)

Operating Revenue, adjusted. We adjust operating revenue for third party refinery sales for the reasons described below.

Third-party refinery sales. We adjust operating revenue for refinery sales to third parties to determine operating revenue, adjusted because these revenues are not related to our airline segment. Operating revenue, adjusted therefore provides a more meaningful comparison of revenue from our airline operations to the rest of the airline industry.

	Three Months Ended	
	March 31, 2021	
(in millions)		
Operating revenue	\$	4,150
Adjusted for:		
Third-party refinery sales		(540)
Operating revenue, adjusted	\$	3,610

Operating Expense, adjusted. In the current period, operating expense, adjusted excludes the following items directly related to the impact of COVID-19 and our response: restructuring charges and government grant recognition, as discussed above under the heading pre-tax loss, adjusted. We also adjust operating expense for MTM adjustments and settlements on hedges and third-party refinery sales for the same reasons described above under the headings pre-tax loss, adjusted, and operating revenue, adjusted to determine operating expense, adjusted. We adjust operating expense for Delta Private Jets for the reason described below.

Delta Private Jets adjustment. Because we combined Delta Private Jets with Wheels Up in January 2020, we have excluded the impact of Delta Private Jets from 2019 results for comparability.

(in millions)	Operating Expense			
	Three Months Ended			
	March 31, 2021	June 30, 2019	March 31, 2019	
GAAP	\$ 5,548	\$ 10,408	\$ 9,452	
Adjusted for:				
Restructuring charges	44	—	—	
Government grant recognition	1,186	—	—	
MTM adjustments and settlements on hedges	23	(10)	(8)	
Third-party refinery sales	(540)	(40)	(48)	
Delta Private Jets adjustment	—	(50)	(42)	
Non-GAAP	\$ 6,261	\$ 10,308	\$ 9,354	

Non-Fuel Unit Cost or Cost per Available Seat Mile, ("CASM-Ex"). In the current period, CASM-Ex excludes the following items directly related to the impact of COVID-19 and our response: restructuring charges and government grant recognition, as discussed above under the heading pre-tax loss, adjusted. We adjust for refinery sales to third parties for the same reason described above under the heading operating revenue, adjusted. We adjust for Delta Private Jets for the same reason described above under the operating expense, adjusted. We also adjust CASM for the following items to determine CASM-Ex for the reasons described below.

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 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.

	Three Months Ended			
	March 31, 2021	December 31, 2020	December 31, 2019	June 30, 2019
CASM (cents)	13.83	13.21	15.34	14.51
Adjusted for:				
Restructuring charges	0.11	(1.15)	—	—
Government grant recognition	2.96	3.69	—	—
Aircraft fuel and related taxes	(2.54)	(1.98)	(3.08)	(3.19)
Third-party refinery sales	(1.35)	(1.21)	—	(0.06)
Profit sharing	—	—	(0.59)	(0.72)
Delta Private Jets adjustment	—	—	(0.07)	(0.06)
CASM-Ex	13.01	12.57	11.59	10.47

Fuel expense, adjusted and Average fuel price per gallon, adjusted. We adjust fuel expense for MTM adjustments and settlements on hedges and Delta Private Jets for the same reasons described under the heading pre-tax loss, adjusted and operating expense, adjusted.

(in millions, except per gallon data)	Three Months Ended		Average Price Per Gallon	
	Three Months Ended		Three Months Ended	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Total fuel expense	\$ 1,017	\$ 723	\$ 1.87	\$ 1.45
MTM adjustments and settlements on hedges	23	(6)	0.04	(0.01)
Delta Private Jets adjustment	—	—	—	—
Total fuel expense, adjusted	\$ 1,040	\$ 717	\$ 1.91	\$ 1.44

Adjusted Net Debt. Delta uses adjusted total debt, including aircraft rent, in addition to adjusted debt and finance leases, to present estimated financial obligations. Delta reduces adjusted total debt by cash, cash equivalents and short-term investments, and LGA restricted cash, resulting in adjusted net debt, to present the amount of assets needed to satisfy the debt. Management believes this metric is helpful to investors in assessing the company's overall debt profile.

(in millions)	March 31, 2021
Debt and finance lease obligations	\$ 29,043
Plus: sale-leaseback financing liabilities	2,271
Plus: unamortized discount/(premium) and debt issue cost, net and other	226
Adjusted debt and finance lease obligations	\$ 31,540
Plus: 7x last twelve months' aircraft rent	2,819
Adjusted total debt	\$ 34,359
Less: cash, cash equivalents and short-term investments	(14,035)
Less: LGA restricted cash	(1,223)
Adjusted net debt	\$ 19,102

(in millions)	December 31, 2020
Debt and finance lease obligations	\$ 29,157
Plus: sale-leaseback financing liabilities	2,283
Plus: unamortized discount/(premium) and debt issue cost, net and other	240
Adjusted debt and finance lease obligations	\$ 31,680
Plus: 7x last twelve months' aircraft rent	2,794
Adjusted total debt	\$ 34,475
Less: cash, cash equivalents and short-term investments	(14,096)
Less: LGA restricted cash	(1,556)
Adjusted net debt	\$ 18,823