



PRESS RELEASE

Frankfurt, 30 April 2024

Strikes weigh on Lufthansa Group's earnings in the first quarter - outlook for summer remains positive

- Group revenue increases by 5 percent to 7.4 billion euros in the first quarter
- Number of passengers rises to 24 million in the first quarter
- Adjusted EBIT in the first quarter at -849 million euros
- Strikes impact earnings by around 350 million euros in the first quarter
- Unit costs excluding strike impact below previous year
- Summer with record number of holiday destinations and 16 percent more bookings than last year
- Adjusted EBIT of around 2.2 billion euros expected for the full year of 2024

Carsten Spohr, Chairman of the Executive Board and CEO of Deutsche Lufthansa AG:

"We are now leaving the first quarter behind us, which was mainly impacted by strikes, and are at a turning point. We have reached long-term wage agreements for the majority of our employees. This means planning certainty and clarity for the coming years. We are still seeing strong demand, which is even significantly higher than last year for the summer. We are therefore continuing to expand our offering and are growing on long-haul routes in particular. Our planes remain well filled throughout. One thing is already clear: it will be another very strong summer. I am particularly pleased that we are continuing to see a positive trend not only among leisure but also business travelers. We are now devoting all our energy to further expanding our premium customer offers and ensuring punctual and reliable flight operations."

Results for the first quarter of 2024

The Group increased its revenue by five percent year-on-year to 7.4 billion euros in the first quarter of 2024 (previous year: 7.0 billion euros). The Lufthansa Group recorded an operating loss (Adjusted EBIT) of 849 million euros (previous year: -273 million euros). Strikes, both by various employee groups within the Group and by employees of our system partners, had a negative impact of around 350 million euros on earnings. In addition, Lufthansa Cargo's result declined now that the logistics industry has returned to normal after the pandemic-related exceptional economic situation. The Adjusted EBIT margin fell to -11.5 percent

(previous year: -3.9 percent). The Group result fell to -734 million euros (previous year: -467 million euros).

Passenger numbers and traffic development

Demand for air travel continued to rise in the first quarter of the current year. A total of 24 million passengers flew with the airlines of the Lufthansa Group, an increase of 12 percent compared to the previous year (Q1 2023: 22 million). The Group airlines expanded their seat capacity by 12 percent year-on-year despite the strike-related flight cancellations. Compared to the pre-Crisis year 2019, this was 84 percent, around 5 percentage points lower than originally planned. Despite the significant increase in capacity, the load factor remained consistently high due to high demand. The passenger load factor amounted to 79.7 percent and was thus at the previous year's level.

Strikes have a significant negative impact on Passenger Airlines' earnings

The Lufthansa Group Passenger Airlines' revenue rose by seven percent to 5.6 billion euros in the first quarter (previous year: 5.2 billion euros). They recorded an Adjusted EBIT of -918 million euros (previous year: -512 million euros). Strikes had an impact of around 300 million euros on earnings in this segment. Yields fell by 2.5 percent compared to the previous year, partly due to the strike-related uncertainty on the customer side and the corresponding lack of high-priced last-minute bookings. Unit revenues (RASK) were 6.3 percent down on the previous year, also influenced by lower cargo revenues and significantly higher compensation payments to passengers due to the strike.

Unit costs (CASK) rose by 2.9 percent compared to the same quarter of the previous year due to the strike. Adjusted for the strike effects, however, they were 1.8 percent below the previous year despite higher expenses for fees, MRO and personnel.

Due to the high losses in the core brand Lufthansa in the first quarter (Adjusted EBIT -640 million euros), Lufthansa Airlines has initiated measures to strengthen the result this year in the short term. Among other steps, it is planned to reduce operating costs, stop new projects and assess the need for additional staff in administrative areas.

Lufthansa Technik benefits from more air traffic

Demand for maintenance, repair and overhaul services as well as other Lufthansa Technik products increased in the first quarter of 2024 due to the positive trend in air travel. Revenue increased accordingly by 15 percent year-on-year to 1.8 billion euros (previous year: 1.5 billion euros). Adjusted EBIT fell by 14 percent to 116 million euros (previous year: 135 million euros), impacted by strike-related work

stoppages. Excluding this effect, which had a negative impact on earnings of around 25 million euros, earnings were up on the previous year.

In the logistics business, capacity rose by seven percent due to the expansion of air traffic and revenue tonne-kilometres also increased by ten percent. Yields were around 25 percent lower than in the same quarter of the previous year, in which the result was significantly boosted by high demand due to supply chain disruptions and the shortage of capacity as a result of the pandemic. Lufthansa Cargo thus achieved an Adjusted EBIT of -22 million euros (previous year: 151 million euros). Excluding the strike effects of 25 million euros, the quarterly result was slightly positive.

Positive Adjusted free cash flow further reduces net debt

Due to the continued high level of incoming bookings, operating cash flow amounted to around 1.3 billion euros despite the negative operating result. At 940 million euros, net investments were around ten percent below the previous year, meaning that Adjusted free cash flow amounted to 305 million euros (previous year: 482 million euros).

The Group further strengthened its balance sheet in the first quarter of 2024. Net debt decreased to 5.5 billion euros compared to the end of 2023 (December 31, 2023: 5.7 billion euros) due to the positive free cash flow. Net pension obligations fell to 2.4 billion euros due to a higher discount rate (December 31, 2023: 2.7 billion euros). At the end of March 2023, the company had liquidity totaling 10.8 billion euros (December 31, 2023: 10.5 billion euros) at its disposal.

Following an upgrade by Moody's in the first quarter, the Lufthansa Group is now the only European network airline to be consistently rated investment grade again by all four agencies in the market.

Remco Steenbergen, Chief Financial Officer of Deutsche Lufthansa AG:

"We cannot be satisfied with the operating result for the first quarter; at more than 350 million euros, the various strikes had a significant impact on our result. Nevertheless, cash flow was positive due to the continuing high demand for air travel. We were also able to further strengthen our balance sheet. In the coming months, we will work intensively to compensate for the effects of rising costs. We have taken additional measures to this end, particularly at Lufthansa Airlines, which is significantly affected by rising personnel expenses and fees. I therefore remain convinced that we will be able to achieve stable unit cost development for the year as a whole without taking the strikes in the first quarter into account."

Bookings for summer 16 percent up on previous year

Global demand for air travel remains strong, particularly from private travelers. The company expects another very good summer of travel. Never before have so many holiday destinations been served by Lufthansa Group airlines as this year. The

most popular summer destinations in 2024 are once again Spain, Portugal, Italy and Greece and, for long-haul travel, the USA, Japan and Southern Africa. This year, many holidaymakers will once again be able to afford a ticket in one of the premium classes. In addition to the very good demand in the private travel segment, the trend in the business travel segment is also positive. This applies in particular to long-haul flights. The Lufthansa Group is continuously expanding its offering here. In addition to the traditionally strong North American routes, demand from business travelers on the India and Japan routes in particular is growing this year.

Overall, bookings for the summer timetable (April to October) are 16 percent up on the previous year.

Guests can now also enjoy Lufthansa Allegris, the new travel experience on long-haul routes. Allegris will start regular scheduled service on May 1. The first Airbus A350-900 equipped with Allegris will fly from Munich to Vancouver on the Canadian West Coast. The second destination is Toronto, which will be served alternately with Vancouver on selected flights in the first few months. With further A350s delivered, the Allegris cabin will also be used on flights to Chicago and Montreal in the summer.

Financial outlook

The Lufthansa Group plans to increase available capacity in the second quarter to around 92 percent of the pre-crisis level. The increase will therefore be lower than originally planned due to further investments in operational stability and delayed aircraft deliveries. The company expects a year-on-year decline in unit revenues (RASK) in the low single-digit percentage range, partly because customers were reluctant to make short-term bookings for April and, to a lesser extent, May during the wage disputes that have now been resolved. Unit costs (CASK) are expected to increase in the low single-digit percentage range in the second quarter. Adjusted EBIT in the second quarter will therefore still be below that of the previous year. In line with the lower capacity in the first two quarters, the Lufthansa Group now expects to achieve a capacity level of around 92 percent of the pre-crisis figure for 2019 (previously: 94 percent) for the full year 2024.

In the third quarter, capacity is to be increased further to over 95 percent of the pre-crisis level. Based on incoming bookings, the Group airlines expect unit revenues (RASK) in the third quarter to be higher than in the previous year.

In the second half of the year, the Group's operating result is expected to be higher than in the previous year. As already communicated on April 15, Adjusted EBIT for the full year is now expected to be around 2.2 billion euros

(previously: stable earnings development compared to 2.7 billion euros in the previous year). For the Passenger Airlines, a decline in unit revenues (RASK) in the low single-digit percentage range and an increase in unit costs (CASK), also in the low single-digit percentage range, are expected for the full year. Excluding the effects of the strikes in the first quarter, unit costs (CASK) are expected to remain stable. Adjusted free cash flow is expected to be at least 1 billion euros (previously: at least 1.5 billion euros).

Further information

Further information on the results of individual business units will be published in the report on the first quarter of 2024. This will be published at the same time as this press release on April 30, 2024 at 07:00 CEST at www.lufthansagroup.com/investor-relations.

The traffic figures for the first quarter of 2024 will also be published at 07:00 CEST at <https://investor-relations.lufthansagroup.com/en/publications/traffic-figures.html>.

		Jan - Mar 2024	Jan - Mar 2023	Change in %
Revenue and result				
Total revenue	€m	7,392	7,017	5
of which traffic revenue	€m	5,903	5,708	3
Adjusted EBIT	€m	-849	-273	-211
Adjusted EBIT margin	%	-11.5	-3.9	-7.6 P.
EBIT	€m	-871	-304	-187
Net profit/loss	€m	-734	-467	-57
Earnings per share	€	-0,61	-0,39	-56
Key balance sheet and cash flow statement figures				
Total assets	€m	47,358	44,904	5
Cash flow from operating activities	€m	1,311	1,581	-17
Net capital expenditures	€m	940	1,040	-10
Adjusted free cash flow	€m	305	482	-37
Employees				
Employees as of 31 March	number	98,739	112,392	-12

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