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 through April 30, 2021. 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 rate 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.

Operating Revenue, adjusted. We adjust operating revenue for third party refinery sales and the impact of Delta Private Jets 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 this revenue is 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.

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.

	Three Months Ended				2Q21 vs 2Q19 % Change
(in millions)	June 30, 2021	March 31, 2021	September 30, 2019	June 30, 2019	
Operating revenue	$ 7,126	$ 4,150	$ 12,560	$ 12,536	
Adjusted for:					
Third-party refinery sales	(777)	(540)	(6)	(40)	
Delta Private Jets adjustment	—	—	(47)	(49)	
Operating revenue, adjusted	$ 6,349	$ 3,610	$ 12,507	$ 12,448	(49)%

	Month Ended		
(in millions)	June 30, 2021	June 30, 2019	Change
Operating revenue	$ 3,430	$ 4,525	
Adjusted for:			
Third-party refinery sales	(777)	(40)	
Delta Private Jets adjustment	—	(16)	
Operating revenue, adjusted	$ 2,653	$ 4,469	(41)%

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 and June quarter 2021, we recognized $44 million and $8 million, respectively, of adjustments to certain of those restructuring charges, representing changes in our estimates.

Government grant recognition. We recognized $1.2 billion and $1.5 billion of the grant proceeds from the payroll support program extensions as contra-expense during the March and June quarter 2021, respectively. 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 payroll support program extensions in the second half of 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.

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, other valuation techniques for investments in companies without publicly-traded shares and foreign currency fluctuations. Adjusting for these gains/losses allows investors to better understand and analyze our core operational performance in the periods shown.

	Three Months Ended	
	June 30, 2021	March 31, 2021
(in millions)	Pre-Tax Income/(Loss)	Pre-Tax (Loss)
GAAP	$ 776	$ (1,515)
Adjusted for:		
Restructuring charges	8	(44)
Government grant recognition	(1,504)	(1,186)
Impairments and equity method losses	—	54
Loss on extinguishment of debt	26	56
MTM adjustments and settlements on hedges	24	(23)
MTM adjustments on investments	(211)	(262)
Non-GAAP	$ (881)	$ (2,919)

Pre-Tax Margin, adjusted. In the current period, pre-tax margin, adjusted excludes the following items directly related to the impact of COVID-19 and our response: government grant recognition and loss on extinguishment of debt, as discussed above under the heading pre-tax loss, adjusted. We adjust pre-tax margin for MTM adjustments on investments for the same reasons described above under the heading pre-tax loss, adjusted. We adjust for third-party refinery sales for the same reason described above under the heading operating revenue and TRASM, adjusted. We adjust for other items specific to the month of June to allow investors to better understand and analyze our core operational performance.

	Month Ended
	June 30, 2021
Pre-tax margin	34 %
Adjusted for:	
Government grant recognition	(22)%
Loss on extinguishment of debt	1 %
MTM adjustments on investments	(5)%
Third-party refinery sales	2 %
Other	(2)%
Pre-tax margin, adjusted	8 %

Free Cash Flow and Free Cash Flow, adjusted. We present free cash flow and free cash flow, adjusted because management believes these metrics are helpful to investors to evaluate the company's ability to generate cash that is available for use for debt service or general corporate initiatives. Free cash flow, adjusted is also used internally as a component of our 2021 incentive compensation program. Free cash flow is defined as net cash from operating activities and net cash from investing activities, adjusted for (i) net redemptions of short-term investments, (ii) strategic investments and related and (iii) net cash flows related to certain airport construction projects and other, while free cash flow, adjusted is further adjusted for (iv) financed aircraft acquisitions, (v) government grant proceeds and (vi) other items that are not representative of our core operations, such as our pension funding. These adjustments are made for the following reasons:

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.

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.

Financed aircraft acquisitions. This adjusts free cash flow to reflect aircraft deliveries that are leased as capital expenditures. The adjustment is based on their original contractual purchase price or fair value.

Government grant proceeds. Cash flows related to the government grant proceeds are reported within operating activities in GAAP results. We adjust free cash flow for this item to better illustrate the cash from our core operations.

Pension funding. Cash flows from pension funding are reported within operating activities in GAAP results. We adjust free cash flow for this item to better illustrate the cash from our core operations.

		Three Months Ended
(in millions)		June 30, 2021
Net cash provided by operating activities	$	1,866
Net cash provided by investing activities		26
Adjustments:		
Net redemptions of short-term investments		(697)
Strategic investments and related		(74)
Net cash flows related to certain airport construction projects and other		329
Free cash flow	$	1,450
Financed aircraft acquisitions		(277)
Government grant proceeds		(2,479)
Pension Funding		1,500
Free cash flow, adjusted	$	195

Non-Fuel Cost and Non-Fuel Cost per Available Seat Mile, ("CASM-Ex"). In the current period, non-fuel cost and 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 and the impact of Delta Private Jets for the same reason described above under the heading operating revenue, adjusted. We also adjust operating expense and CASM for the following items to determine non-fuel cost and 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				2Q21 vs 2Q19
	June 30, 2021	December 31, 2019	September 30, 2019	June 30, 2019	% Change
CASM (cents)	13.00	15.34	13.85	14.51	
Adjusted for:					
Restructuring charges	(0.02)	—	—	—	
Government grant recognition	3.10	—	—	—	
Aircraft fuel and related taxes	(3.06)	(3.08)	(2.96)	(3.19)	
Third-party refinery sales	(1.60)	—	(0.01)	(0.06)	
Profit sharing	—	(0.59)	(0.68)	(0.72)	
Delta Private Jets adjustment	—	(0.07)	(0.05)	(0.06)	
CASM-Ex	11.42	11.59	10.15	10.47	9 %

	Three Months Ended		
	June 30, 2021	March 31, 2021	Change
Operating Expense	6,310	5,548	
Adjusted for:			
Restructuring charges	(8)	44	
Government grant recognition	1,504	1,186	
Aircraft fuel and related taxes	(1,487)	(1017)	
Third-party refinery sales	(777)	(540)	
Non-Fuel Cost	5,541	5,221	6 %

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

	Three Months Ended		Average Price Per Gallon Three Months Ended	
(in millions, except per gallon data)	June 30, 2021	March 31, 2021	June 30, 2021	March 31, 2021
Total fuel expense	$ 1,487	$ 1,017	$ 2.16	$ 1.87
MTM adjustments and settlements on hedges	(24)	23	(0.03)	0.04
Total fuel expense, adjusted	$ 1,463	$ 1,040	$ 2.12	$ 1.91

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)		**June 30, 2021**
Debt and finance lease obligations	$	29,051
Plus: sale-leaseback financing liabilities		2,259
Plus: unamortized discount/(premium) and debt issue cost, net and other		257
Adjusted debt and finance lease obligations	$	31,567
Plus: 7x last twelve months' aircraft rent		2,874
Adjusted total debt	$	34,441
Less: cash, cash equivalents and short-term investments		(15,230)
Less: LGA restricted cash		(929)
Adjusted net debt	$	18,282