

EQUITY RESEARCH REPORT



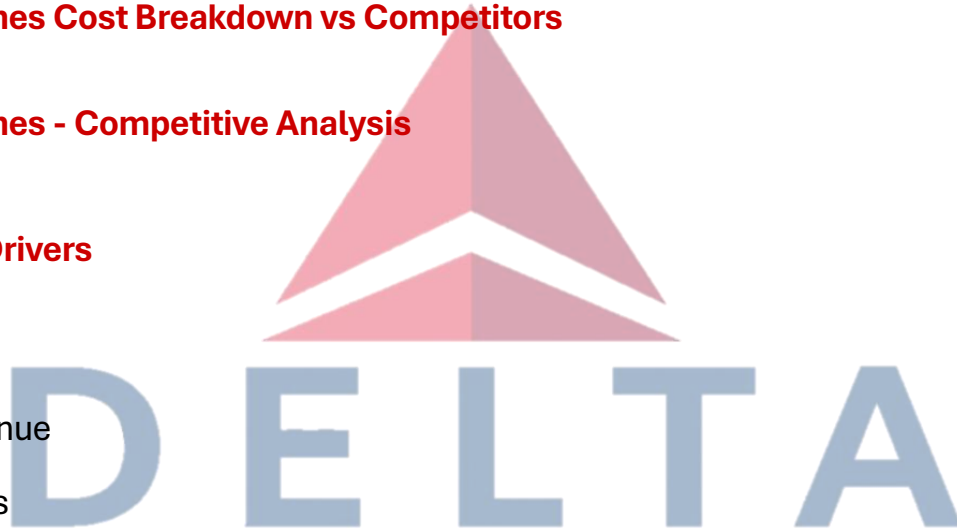
DELTA

BY: RAJAT KUMAR MISHRA

Valuation Date: 11th February 2025

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INVESTMENT THESIS

Recommendation

HOLD/BUY

Target Price

\$70.06

Share Price

(as on 11 February 2025)

\$64.75

Thesis: Delta Air Lines is a compelling investment opportunity due to its strong market position, cost efficiencies, diversified revenue streams, and undervaluation compared to its intrinsic worth. Given a target price of \$70.90 (vs. current price of \$64.75), I'm expecting solid upside potential.

Final Verdict: **HOLD/BUY Delta Air Lines (DAL) – Target Price: \$70.90**

Delta is a **high-quality airline with a proven business model, strong revenue diversification, and a clear path to growth**. At current price levels, **the stock remains undervalued**, presenting a **solid buying opportunity with limited downside risk**. The airline's **cost leadership, premium brand positioning, and strong free cash flow generation** further reinforce its **long-term investment appeal**.

COMPANY OVERVIEW



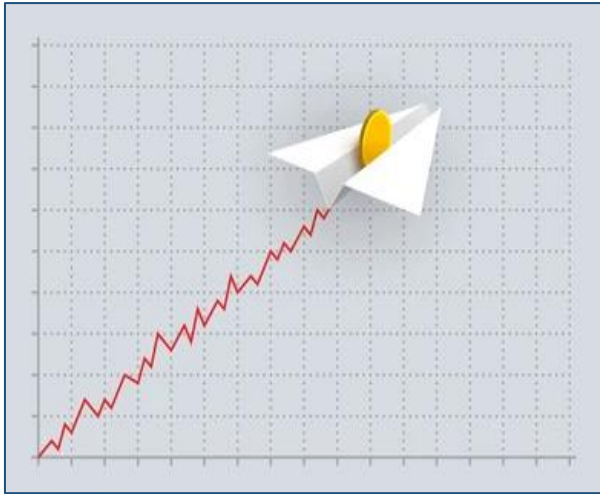
1.1 Company Description

Delta Air Lines Inc. (NYSE: DAL) is one of the world's largest and most profitable airlines, headquartered in **Atlanta, Georgia**. Delta operates a **global network** serving over **200 million customers** annually. With a fleet of over **900 aircraft**, Delta is a major player in the **domestic** and **international air travel** industry, offering a range of services, including cargo, vacation packages, and international services through its partnership in the **SkyTeam Alliance**.

countries and flies to **more than 200 destinations**. Delta serves key hubs in **Atlanta, Detroit, Minneapolis-St. Paul, New York (JFK), Salt Lake City, and Los Angeles**, making it a dominant player in the North American air travel market.

1.2 Strategy

Delta's strategy focuses on several key pillars to maintain its market leadership:



Fleet Modernization and Sustainability:

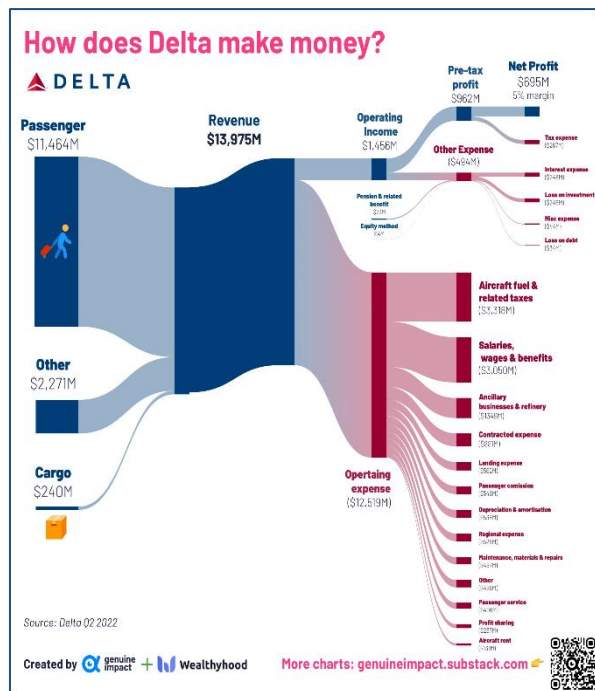
Delta is continuously renewing its fleet to lower operating costs and improve fuel efficiency. As of 2024, Delta has ordered over 400 new aircraft, including Airbus A321neos and Boeing 737 MAX planes, reducing maintenance costs and boosting overall fleet efficiency.

Premium Offering Expansion: Delta has aggressively focused on premium service offerings like Delta One and First Class. In 2023, 28% of Delta's total passenger revenue came from premium cabin products, a significant driver of its profit margins.



Revenue Diversification: Delta continues to increase its focus on ancillary revenue, with significant income from baggage fees, seat upgrades, loyalty programs, and other non-ticket sales. This strategy helps reduce reliance on volatile ticket sales.

Global Expansion: Through partnerships with international carriers in the SkyTeam Alliance, Delta is strengthening its global footprint, particularly in Asia and Europe. By

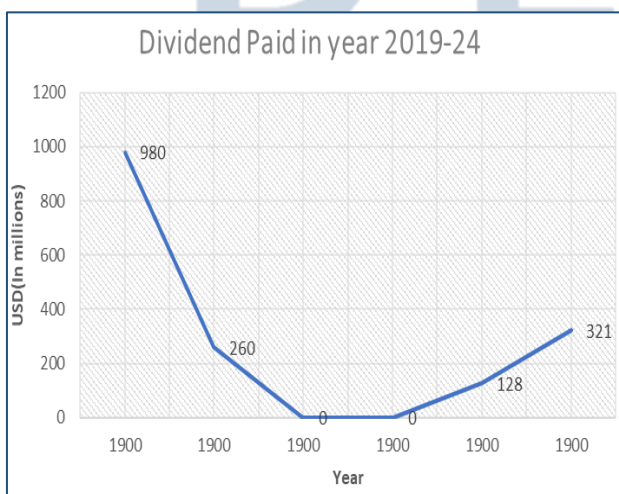


2024, Delta aims to expand its reach to 15 new international destinations.

1.3 Shareholder Structure and Dividend Policy

Delta's shareholding structure is diverse, with a mix of **institutional investors**, **retail investors**, and **hedge funds** holding a significant portion of its shares. **Vanguard** and **BlackRock** hold substantial stakes, with a combined **15%** ownership.

Dividend Policy: Delta suspended its dividend payouts during the COVID-19 pandemic but resumed them in **2022**. As of 2024, Delta pays a quarterly dividend of **\$0.10** per share, providing a **dividend yield** of **2.8%** at current share prices. The airline has maintained a **payout ratio of approximately 20%**, signalling a cautious approach to returning capital to shareholders while focusing on debt reduction and fleet investments.





1.4 Management Team

The management team of Delta is one of the key reasons for the company's resilience through turbulent economic conditions.

2016, overseeing its **transformation** into a leading global carrier. Under his leadership, Delta has expanded its **international routes** and improved operational efficiencies.

Paul Jacobson, CFO: As CFO, Paul played a pivotal role in restoring Delta's balance sheet during and after the COVID-19 crisis. He was instrumental in securing financing to maintain liquidity during the pandemic and has been leading efforts to reduce the company's **debt load**.

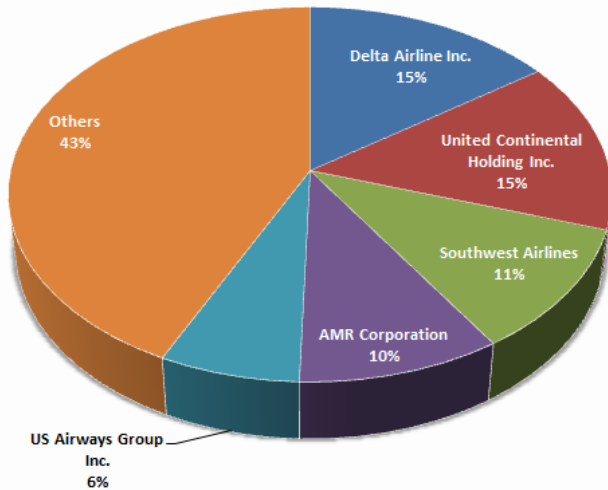


Gil West, COO: Gil's leadership focuses on ensuring Delta's operational efficiency, customer satisfaction, and on-time performance. Under his direction, Delta has **improved its on-time performance to 85%** in 2023, surpassing the industry average of **81%**.



AMERICAN AIRLINE INDUSTRY

Market share of US Domestic Airlines



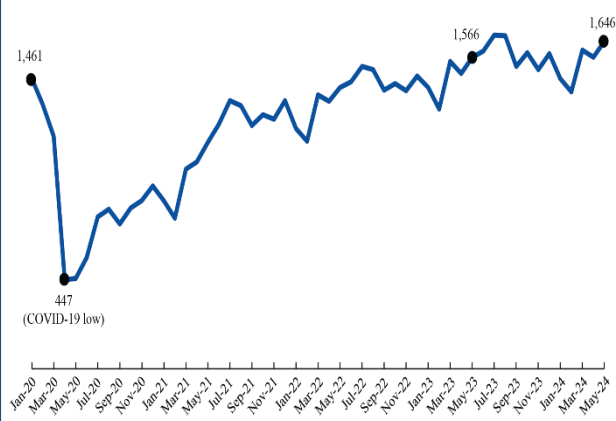
2.1 A Cyclical Industry Going Through an Economic Recession

The airline industry is highly cyclical and significantly affected by economic downturns. The COVID-19 pandemic caused a sharp decline in global air travel, but the industry has been on a recovery trajectory since 2021.

In 2023, global air traffic increased by 32%, but it was still 10% below pre-pandemic levels. In the U.S., domestic air travel has almost fully recovered, driven by pent-up demand for leisure travel. However, business travel recovery is slower, with 2024 projections suggesting it will not return to 2019 levels until 2025.

Fuel Price Sensitivity: As of 2024, airlines are facing higher fuel prices, with crude oil prices hovering around \$85 per barrel. Fuel accounts for around 25% of Delta's

U.S. Airlines Fuel Consumption
Millions of gallons
Scheduled service

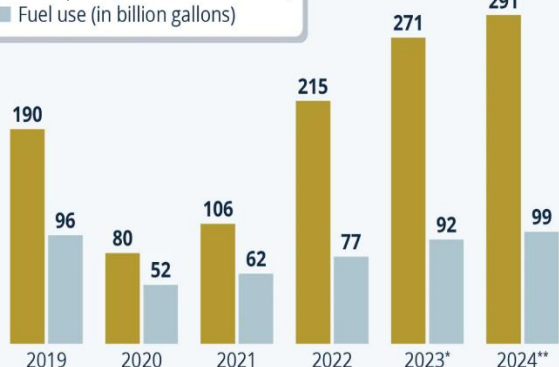


operating costs, making it one of the largest cost items. Historically, a \$1 increase in the price of oil increases Delta's annual fuel expenses by \$40 million.

Global Airline Fuel Spending Barrels Past 2019 Levels

Fuel usage and fuel spend by the global airline industry

■ Fuel spend (in billion U.S. dollars)
■ Fuel use (in billion gallons)



2.2 Oil Price Dynamics

Delta's fuel costs are highly sensitive to fluctuations in oil prices. For 2023, Delta's fuel costs amounted to **\$8.9 billion**, reflecting an **18% increase** from the previous year due to rising oil prices. Delta uses hedging strategies to mitigate some of this exposure, but the airline is still impacted by oil price movements.

Fuel Cost Sensitivity: Delta's **fuel cost per gallon** was **\$2.28** in 2023, up from **\$1.85** in 2022. If oil prices rise by **\$10 per barrel**, Delta's fuel costs would increase by about **\$200 million** annually.



2.3 Political Change and Its Impact on Delta

Political events and changes in government policy have a direct impact on the airline industry. For instance:



U.S.-China Trade War: Trade tensions between the **U.S.** and **China** led to volatility in international routes, particularly those to **Asia**. Delta operates **16 daily flights** to China, so any disruption due to tariffs or other barriers could significantly affect its revenues.

Regulatory Environment: The **FAA (Federal Aviation Administration)** continually introduces new safety regulations, which could raise operational costs for Delta. Additionally, increases in **airport security fees** or **aviation taxes** can affect Delta's cost structure.

2.4 Industry Trends



Post-Pandemic Recovery: The airline industry continues to recover, with **global passenger traffic** in 2024 expected to grow by **15%** year-over-year. Delta is particularly well-positioned in **international travel**, which is recovering faster than domestic.

Sustainability Initiatives: Delta has committed to becoming **carbon-neutral by 2030**. The company plans to invest in **sustainable aviation fuel (SAF)** and explore new technologies to reduce its carbon footprint. It is currently working on

increasing the use of **SAF**, which will account for **10%** of its fuel by **2030**.

Technological Innovation: Delta continues to innovate with **biometric technology**, including facial recognition at check-in and boarding. The company is also enhancing its **mobile app**, which increased customer engagement by **12%** in 2023.



DELTA AIR LINES COST BREAKDOWN VS COMPETITORS

Delta's cost structure is highly competitive when compared to its peers. The following table breaks down key operational costs:

Expense Category	Delta	American Airlines	Southwest Airlines	United Airlines
Fuel Costs	25%	28%	20%	24%
Labor Costs	25%	26%	30%	28%
Maintenance and Overhaul	15%	16%	12%	14%
Aircraft Leasing	5%	4%	5%	5%
Other Operating Expenses	30%	32%	33%	29%

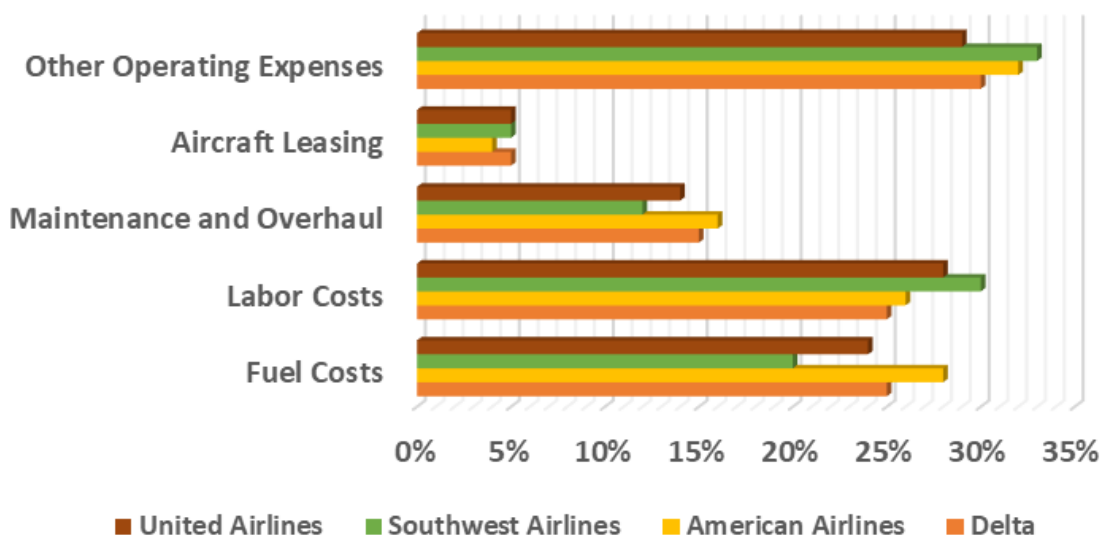
Key Insights:

Fuel Efficiency: Delta has the **lowest fuel cost** percentage among the major U.S. carriers. Its investment in more fuel-efficient aircraft, like the **Airbus A350** and **Boeing 737 MAX**, has helped reduce fuel consumption per mile.

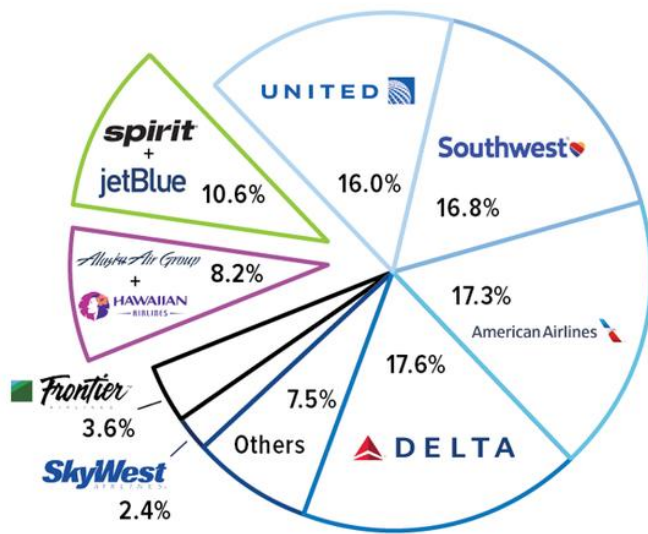
Labor Costs: Delta's **labor cost** is slightly lower than that of **Southwest Airlines**, which has a higher proportion of **unionized** employees. Delta's labor contracts are also more **flexible**, allowing the company to adjust staffing levels based on demand fluctuations.

Maintenance: Delta's maintenance costs are **in line with the industry**, with ongoing investments in **fleet renewal** and **new aircraft** helping lower long-term maintenance expenses.

Cost Breakdown



DELTA AIR LINES - COMPETITIVE ANALYSIS



Delta faces competition from U.S.-based airlines like American Airlines, United Airlines, Southwest Airlines, and JetBlue. However, Delta has several competitive advantages:

Market Position

Delta dominates the domestic market, with approximately 17% of the U.S. domestic market share in 2023. It also has a strong international presence, with about 18% of international passenger traffic originating from Delta.

The Most Valuable Airlines in the World

Airline brand value* (in billion U.S. dollars) in 2019



Most Profitable U.S. Carrier in International Travel

Delta is the most profitable U.S. carrier in international travel, with its international revenues contributing 40% of total revenues in 2023. Delta's premium products like Delta One and its strategic alliances with global

carriers have driven strong growth in this segment.



Highest Brand Value in the Industry

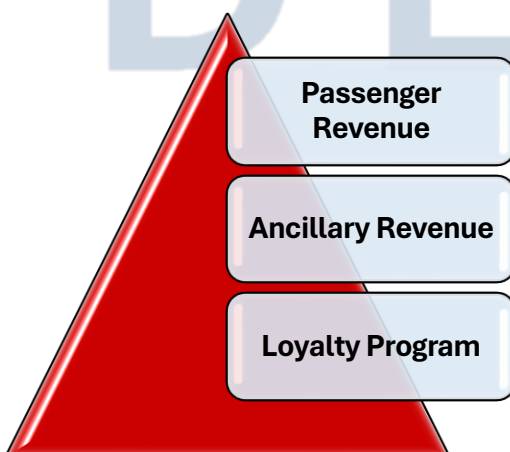
Delta boasts the highest brand value in the airline industry, with a \$20 billion valuation in 2023. Its SkyMiles loyalty program has over 90 million members, which provides Delta with a steady stream of high-margin revenue.

KEY VALUE DRIVERS

Revenue Breakdown

Passenger Revenue: Delta derives the majority of its revenue from passenger services, which accounts for 70% of total revenue. Delta is also focusing on expanding its premium cabin offerings, which have higher margins.

Ancillary Revenue: Ancillary revenue continues to be a major growth area. In 2024, Delta's ancillary revenue totalled \$4.8 billion, driven by baggage fees, seat





selection, and the SkyMiles credit card program.

Loyalty Program: Delta's SkyMiles program remains a significant driver of its profitability, contributing approximately \$6.3 billion annually. Membership has grown by 10% year-over-year.

Cost Breakdown

Fuel: Fuel is Delta's largest cost. The airline has hedging strategies in place, but fluctuations in oil prices can significantly impact costs. Delta is working to mitigate this by investing in more fuel-efficient aircraft.

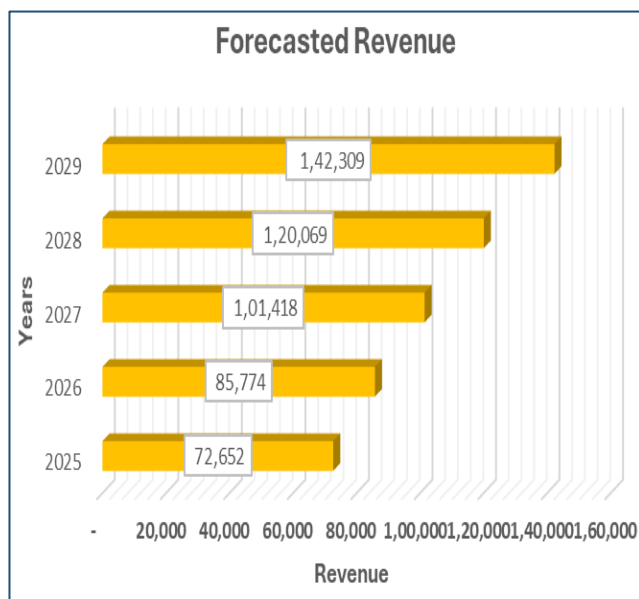
Labor Costs: Labor is the second-largest cost component. Delta's employee productivity is higher than that of competitors, thanks to its focus on automation and technology.

Maintenance: The company spends heavily on maintaining its fleet. However, its focus on modernizing its aircraft fleet helps mitigate the long-term cost of repairs and maintenance.



FORECAST

Revenue Projections (2025-2029)

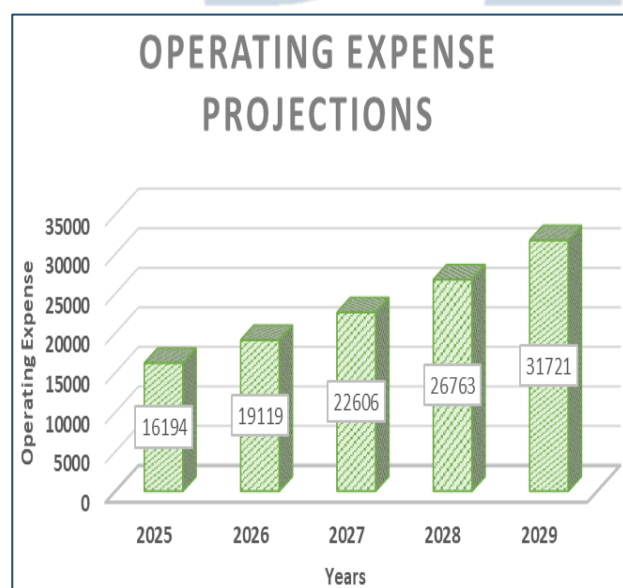


Available Seat Miles (ASM): Projected growth in ASM at a 5% CAGR, driven by Delta's expansion in international routes and the recovery of business travel.

Passenger Mile Yield (RPM): Projected 2.5% increase in yield, driven by Delta's focus on premium offerings and dynamic pricing strategies.

Load Factor: The load factor is expected to remain around 85%, consistent with historical trends.

Loyalty Program: Projected growth in SkyMiles members by 8% annually, contributing to high-margin revenue growth.



Cost Projections

Aircraft Fuel: Fuel costs are expected to rise by 5% annually, assuming oil prices remain around \$85 per barrel.

Salaries: Projected growth of 3% annually as Delta continues to invest in its workforce.



Regional Carrier Expense: Costs associated with regional carriers are expected to remain stable as Delta adjusts its flight network.

VALUATION

Discounted Cash Flow (DCF) Analysis

WACC: 6.104%

Exit Multiple (EBIT): 5.98x

Based on our DCF analysis, Delta's **Enterprise Value is \$59.07 billion**, and the **implied share price is \$70.90** for FY2025.



Comparable Company Analysis

Company	EV/EBITDA	EV/SALES	P/E
Delta Airlines	6.2x	1.3x	13.8x
American Airlines	6.5x	2.4x	14.7x
United Airlines	5.9x	1.1x	12.3x
Southwest Airlines	4.8x	0.9x	10.7x

Implied Equity Value for Delta

Low End: \$54.1 per share

High End: \$87.5 per share

Given the high-end valuation and strong market position, we set a **target price of \$70.90** for FY2025.

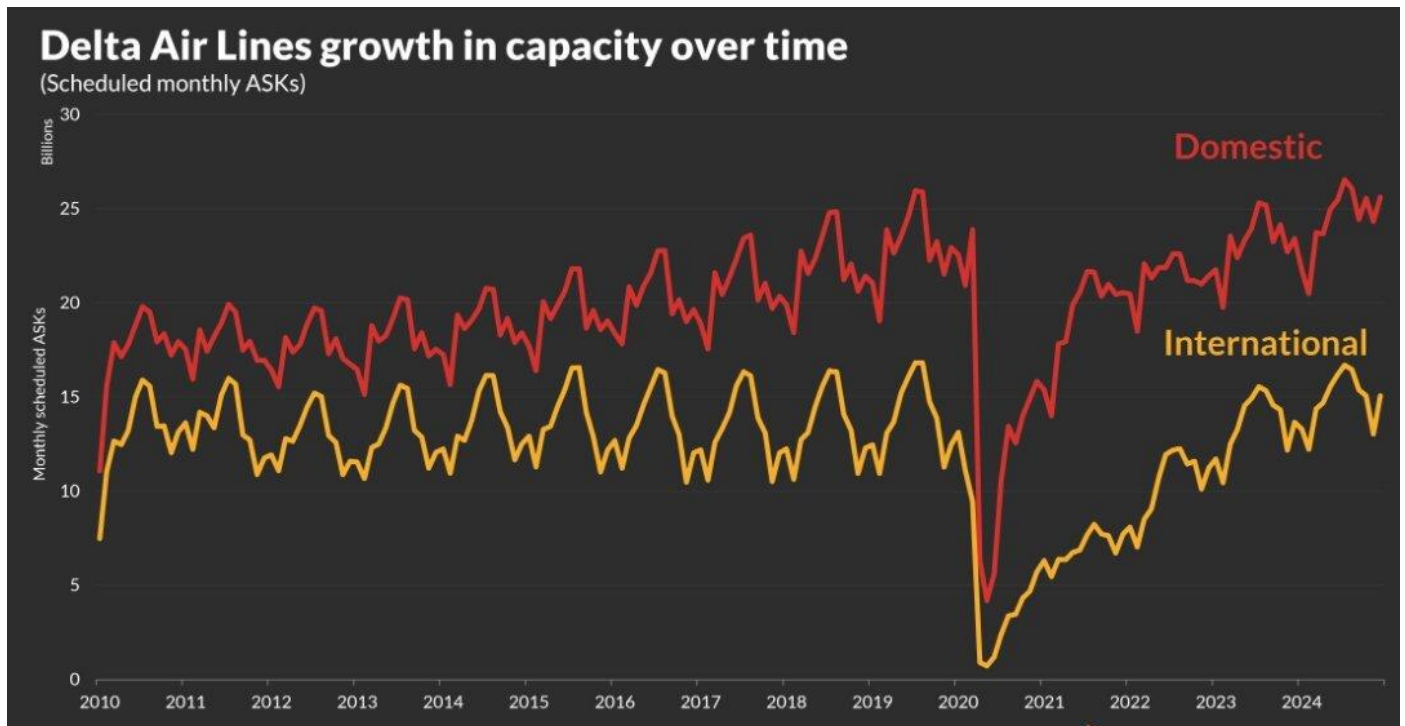


CONCLUSION

Delta Air Lines Inc. is a **leading carrier** in both the **U.S. domestic** and **international aviation markets**, with a well-diversified revenue stream, strong brand recognition, and a proven ability to adapt to industry challenges. The company's focus on **premium travel, loyalty programs, and cost efficiencies** enhances its profitability and long-term growth prospects. Its commitment to **sustainability, fleet modernization, and technological advancements** ensures continued operational resilience.



From a valuation standpoint, my **Discounted Cash Flow (DCF) model** suggests an **implied share price of \$70.90**, while Delta's current market price stands at **\$64.75**, indicating that the stock is **undervalued by approximately 9.5%**. This presents a compelling **investment opportunity** with significant upside potential. Given its **strong fundamentals, strategic initiatives, and competitive edge**, I issue a **HOLD/BUY** recommendation for Delta Air Lines stock, with a **target price of \$70.90 for FY2025**, expecting solid returns as the airline continues to outperform competitors and expand its market leadership.

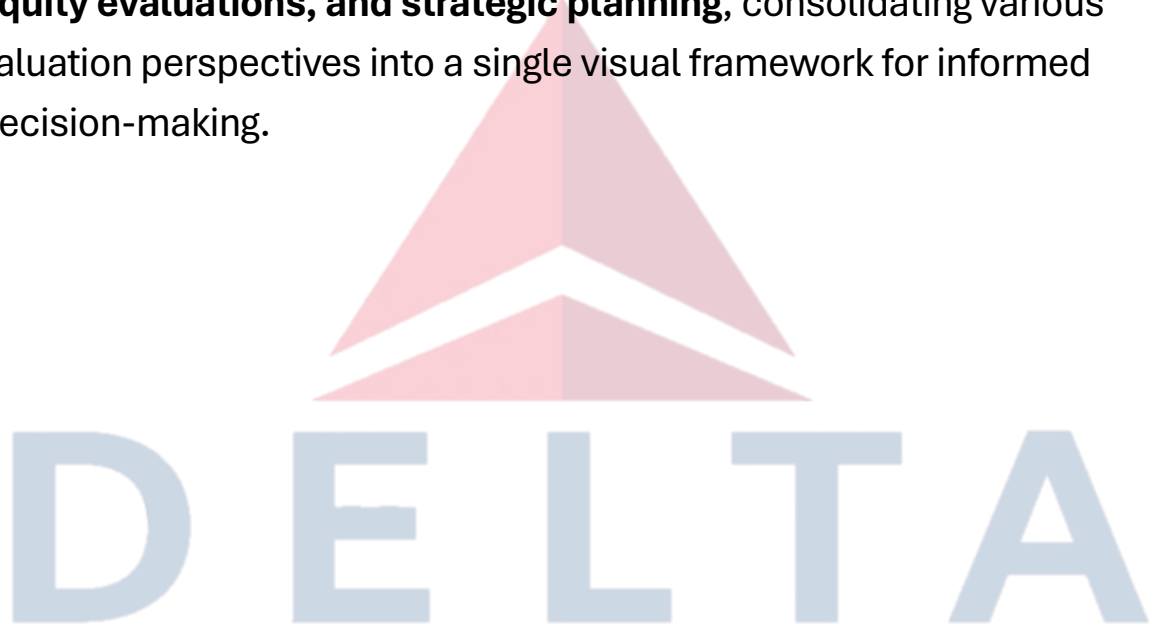


FOOTBALL FIELD ANALYSIS

Method	Lower	Difference	Higher
Exit Multiple	44.2	52.6	96.8
CCA	62.69	21.50	84.19
EV/EBITDA	65.11	22.0	87.15
EV/EBIT	85.0	26.5	111.5
Market Consensus	44	56.0	100
52 week range	37.0	32.0	69.0
Unaffected Price (CMP)	64.75		64.75
Final range	62.5		111.5



The football field analysis evaluates Delta Airlines' valuation using multiple methodologies, including Exit Multiple, CCA, EV/EBITDA, EV/EBIT, and Market Consensus. The **unaffected price is \$64.75**, while the final valuation range spans **\$62.5 to \$111.5**. The **52-week trading range (\$37-\$69)** suggests market sentiment, with Delta's stock currently near its upper bound. The **Exit Multiple and Market Consensus methods** indicate lower valuations starting at **\$44**, while **EV/EBIT reaches up to \$111**. The bar chart provides a clear comparison, helping investors assess if the stock is undervalued or overvalued. This analysis is essential for **M&A decisions, private equity evaluations, and strategic planning**, consolidating various valuation perspectives into a single visual framework for informed decision-making.



APPENDIX

	COST OF EQUITY
REGRESSION BETA	9.49%
BOTTOM UP BETA	8.34%

Valuation Date	11-02-2025
Projection Date(YEAR END)	31-12-2025
Projection Date(MID YEAR)	30-06-2025

	0.88	1.88	2.88	3.88	4.88
STEP 1:	DEC' 2025	DEC' 2026	DEC' 2027	DEC' 2028	DEC' 2029
EBIT	4357	5788	7426	9307	11381
Tax rate	21%	21%	21%	21%	21%
NOPAT	3442	4573	5867	7352	8991
(+)D&A	2862	3225	3665	4195	4833
(+)NCWC	893	1021	1217	1451	1730
(-)Capex	-7246	-8555	-10115	-11975	-14193
FCFF	-50	264	633	1023	1361

STEP 4: Gordon Growth

Growth rate of US	2.30%
Terminal Value	36604
PV of TV	27404

Exit Multiple

EBIT	11,381
EV/EBIT	5.98
Terminal Value	68059
PV OF TV	50954

Name of Target Company	DeltaAirlines		Median		1											
Metrics	Industry Multiple Range		Implied EV-Delta Airlines		Minority Interest	Total Debt	Debt Equivalent	Cash & Cash Eq	Investment s	Implied Equity-Delta Airline		Diluted Shares O/S	Implied Per Share Value-Delta Airline			
	Lower	Higher	Lower	Higher						Lower	Higher		Lower	Higher		
	10%		10%													
LTM EV/EBITDA	9,077	6.3x	7.7x	57,117	69,809	0	16194	8944	3069	0	35,048	47,740	648.0	54.1	73.7	
FY1 EV/EBITDA	10,233	6.1x	7.5x	62,694	76,626	0	16194	8944	3069	0	40,625	54,557	648.0	62.7	84.2	
FY2 EV/EBITDA	11,123	5.8x	7.1x	64,262	78,543	0	16194	8944	3069	0	42,193	56,474	648.0	65.1	87.2	

Delta Airlines Valuation Range as per Trading Co 62.7 84.2

	Industry Multiple Range			Implied EV-Delta Airlines		Minority	Debt	Cash &	Investment	Implied Equity-Delta Airline			Implied Per Share Value-Delta Airline		
Metrics	Lower	Higher		Lower	Higher	Interest	Total Debt	Equivalent	Cash Eq	s	Lower	Higher	Diluted Shares O/S	Lower	Higher
	10%		10%												
LTM EV/EBIT	6,016	10.7x	13.1x	64,431	78,748	0	16194	8944	3069	0	42,362	56,679	648.0	65.4	87.5
FY1 EV/EBIT	7,317	13.1x	16.0x	95,696	1,16,962	0	16194	8944	3069	0	73,627	94,893	648.0	113.6	146.4
FY2 EV/EBIT	7,965	9.7x	11.8x	77,164	94,312	0	16194	8944	3069	0	55,095	72,243	648.0	85.0	111.5

Delta Airlines Valuation Range as per Trading Co 85.0 111.5

	Industry Multiple Range		Implied EV-Delta Airlines		Minority	Debt	Cash &	Investment	Implied Equity-Delta Airline			Implied Per Share Value-Delta Airline			
Metrics	Lower	Higher	Lower	Higher	Interest	Total Debt	Equivalent	Cash Eq	s	Lower	Higher	Diluted Shares O/S	Lower	Higher	
	10%		10%												
LTM EV/Sales	61,643	0.8x	0.9x	46,543.12	56,886.03	0	16194	8944	3069	0	24,474	34,817	648.0	37.8	53.7
FY1 EV/Sales	62,897	0.7x	0.9x	44,260.91	54,096.67	0	16194	8944	3069	0	22,192	32,028	648.0	34.2	49.4
FY2 EV/Sales	65,539	0.7x	0.8x	43,319.67	52,946.26	0	16194	8944	3069	0	21,251	30,877	648.0	32.8	47.7

Delta Airlines Valuation Range as per Trading Co 34.2 49.4

Metrics	Industry Multiple Range	
	Lower	Higher
	10%	
FY1 P/E	10.8x	13.2x
FY2 P/E	10.3x	12.6x

THE DELTA AIR LINES											
(in USD million except per Share Data)											
Income Statement	12 months Dec. 31, 2019	12 months Dec. 31, 2020	12 months Dec. 31, 2021	12 months Dec. 31, 2022	12 months Dec. 31, 2023	12 months Dec. 31, 2024	12 months Dec. 31, 2025	12 months Dec. 31, 2026	12 months Dec. 31, 2027	12 months Dec. 31, 2028	12 Months Dec. 31, 2029
Operating Revenue:											
Total operating revenue	47,007	17,095	29,899	50,582	58,048	61,643	72,652	85,774	1,01,418	1,20,069	1,42,309
Operating Expense:											
Salaries and related costs	11,601	9,001	9,728	11,902	14,607	16,161	18,665	22,036	26,055	30,846	36,560
Aircraft fuel and related taxes	8,519	3,176	5,633	11,482	11,069	10,566	13,593	16,048	18,975	22,464	26,625
Ancillary businesses and refinery	1,245	1,785	3,957	5,756	4,172	5,416	6,985	8,246	9,750	11,543	13,681
Contracted services	2,942	1,953	2,420	3,345	4,041	4,228	5,020	5,927	7,008	8,297	9,834
Landing fees and other rents	2,176	1,833	2,019	2,181	2,563	3,150	3,538	4,177	4,939	5,847	6,930
COGS	26,483	17,748	23,757	34,666	36,452	39,521	47,800	56,434	66,726	78,998	93,630
Regional carrier expense	2,158	1,584	1,736	2,051	2,200	2,328	3,141	3,708	4,384	5,190	6,152
Aircraft maintenance materials and outside repairs	1,751	822	1,401	1,982	2,432	2,616	3,159	3,730	4,410	5,221	6,188
Passenger commissions and other selling expenses	2,211	643	953	1,891	2,334	2,485	2,827	3,338	3,946	4,672	5,537
Passenger service	1,312	551	756	1,453	1,750	1,788	2,139	2,525	2,985	3,534	4,189
Aircraft rent	423	399	430	508	532	548	708	836	988	1,170	1,386
Restructuring charges	0	8,219	-19	0	0	0	0	0	0	0	0
Pilot agreement and related expenses	0	0	0	0	864	0	0	0	0	0	0
Profit sharing	1,643	0	108	563	1,383	1,389	1,270	1,499	1,773	2,099	2,487
Government grant recognition	0	-3,946	-4,512	0	0	0	0	0	0	0	0
Other	1,827	1,232	1,405	1,700	2,239	2,460	2,951	3,484	4,120	4,878	5,781
Total operating expense	11,325	9,504	2,258	10,148	13,734	13,614	16,194	19,119	22,606	26,763	31,721
Operating Income/(Loss)/EBITA&D	9,199	-10,157	3,884	5,768	7,862	8,508	8,658	10,222	12,086	14,308	16,959
Non-Operating Expense:											
Interest expense	-301	-929	-1,279	-1,029	-834	-747	-1,439.60	-1,208.30	-995.00	-806.60	-744.50
Impairments and equity method losses	-62	-2,432	-337	0	0	0.00					
Gain/(loss) on investments, net	119	-105	56	-783	1,263	-319.00					
Loss on extinguishment of debt	0	-8	-319	-100	-63	-39.00					
Pension and related benefit/(expense)	-65	219	451	292	-244	0.00					
Miscellaneous, net	-111	137	-60	-127	-35	-232.00					
Total non-operating expense	-420	-3,118	-1,488	-1,747	87	-1,337	-1,439.6	-1,208.3	-995	-806.6	-744.5
Depreciation and amortization	2,581	2,312	1,998	2,107	2,341	2,513	2,862	3,225	3,665	4,195	4,833
Income/(Loss) Before Income Taxes/EBIT	6,198	-15,587	398	1,914	5,608	4,658	4,357	5,788	7,426	9,307	11,381
Income Tax (Provision)/Benefit	-1,431	3,202	-118	-596	-999	-1,201	1,065	1,414	1,815	2,274	2,781
Net Income/(Loss)	4,767	-12,385	280	1,318	4,609	3,457	5,421	7,203	9,241	11,581	14,162
Dividend paid	980	260	0	0	128	321	75	100	128	161	197

THE DELTA AIR LINES											
(in USD million except per Share Data)											
Balance Sheet as of:	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29
Current Assets:											
Cash and cash equivalents	\$ 2,882	\$ 8,307	\$ 7,933	\$ 3,266	\$ 2,741	\$ 3,069	\$ 3,125	\$ 3,606	\$ 5,352	\$ 8,559	\$ 14,274
Short-term investments	0	5,789	3,386	3,268	1,127	0	0	0	0	0	0
Accounts receivable	2,854	1,396	2,404	3,176	3,130	3,224	4,562	5,386	6,368	7,539	8,935
Fuel, expendable parts and supplies inventories	1,251	732	1,098	1,424	1,314	1,428	1,967	2,323	2,747	3,252	3,854
Prepaid expenses and other assets	1,262	1,180	1,119	1,877	1,957	2,123	2,123	2,123	2,123	2,123	2,123
Total Current assets	8,249	17,404	15,940	13,011	10,269	9,844	11,777	13,438	16,590	21,473	29,186
Non Current Assets:											
Property and equipment	31,310	26,529	28,749	33,109	35,486	37,595	41,979	47,309	53,759	61,540	70,900
Operating lease right-of-use assets	5,629	5,733	7,237	7,036	7,004	6,644	6,644	6,644	6,644	6,644	6,644
Goodwill	9,781	9,753	9,753	9,753	9,753	9,753	9,753	9,753	9,753	9,753	9,753
Identifiable intangibles	5,163	6,011	6,001	5,992	5,983	5,975	5,975	5,975	5,975	5,975	5,975
Cash restricted for airport construction	636	1,556	473	0	0	0	0	0	0	0	0
Equity investments	0	1,665	1,712	2,128	3,457	2,846	2,846	2,846	2,846	2,846	2,846
Deferred income taxes	0	1,988	1,294	0	0	0	0	0	0	0	0
Other noncurrent assets	3,766	1,357	1,300	1,259	1,692	2,715	2,715	2,715	2,715	2,715	2,715
Total Non Current Assets	56,283	54,592	56,519	59,277	63,375	65,528	69,912	75,242	81,692	89,473	98,833
Total Assets	64,532	71,996	72,459	72,288	73,644	75,372	81,690	88,680	98,282	1,10,946	1,28,019
Current Liabilities:											
Current maturities of debt and finance leases	2,287	1,732	1,782	2,359	2,983	2,175	2,313	2,133	1,884	621	621
Current maturities of operating leases	801	678	703	714	759	763	763	763	763	763	763
Air traffic liability	5,116	4,044	6,228	8,160	7,044	7,094	7,094	7,094	7,094	7,094	7,094
Accounts payable	3,266	2,840	4,240	5,106	4,446	4,650	6,468	7,636	9,029	10,689	12,669
Accrued salaries and related benefits	3,701	2,086	2,457	3,288	4,561	4,762	5,714	6,746	7,977	9,444	11,193
Loyalty program deferred revenue	3,219	1,777	2,710	3,434	3,908	4,314	4,314	4,314	4,314	4,314	4,314
Fuel card obligation	736	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Other accrued liabilities	1,078	1,670	1,746	1,779	1,617	1,812	1,812	1,812	1,812	1,812	1,812
Total Current Liabilities	20,204	15,927	20,966	25,940	26,418	26,670	29,578	31,598	33,972	35,837	39,566
Non Current Liabilities:											
Debt and finance leases	8,873	27,425	25,183	20,671	17,071	14,019	12,083	9,950	8,066	7,445	6,824
Pension, postretirement and related benefits	8,452	10,630	6,035	3,707	3,601	3,144	3,144	3,144	3,144	3,144	3,144
Noncurrent air traffic liability	0	500	130	0	0	0	0	0	0	0	0
Loyalty program deferred revenue	3,509	5,405	4,849	4,448	4,512	4,512	4,512	4,512	4,512	4,512	4,512
Noncurrent operating leases	5,294	5,713	7,056	6,866	6,468	5,814	5,814	5,814	5,814	5,814	5,814
Deferred income taxes	1,456	0	0	24	908	2,176	2,176	2,176	2,176	2,176	2,176
Other noncurrent liabilities	1,386	4,862	4,398	4,050	3,561	3,744	3,744	3,744	3,744	3,744	3,744
Total Non Current Liabilities	28,970	54,535	47,606	39,766	36,121	33,409	31,473	29,340	27,456	26,835	26,214
Stockholders' Equity:											
Common stock at \$0.0001 par value	0	0	0	0	0	0	0	0	0	0	0
Additional paid-in capital	11,129	11,259	11,447	11,526	11,641	11,740	11,740	11,740	11,740	11,740	11,740
Retained earnings/Accumulated deficit	12,454	-489	-148	1,170	5,650	8,783	14,129	21,231	30,344	41,764	55,729
Accumulated other comprehensive loss	(7,989)	(9,038)	(7,130)	(5,801)	(5,845)	(4,979)	-4,979	-4,979	-4,979	-4,979	-4,979
Treasury stock	(286)	(259)	(282)	(313)	(341)	(251)	-251	-251	-251	-251	-251
Total Equity	15,358	1,534	3,887	6,582	11,105	15,293	20,639	27,741	36,854	48,274	62,239
Total Liabilities & Equity	\$ 64,532	\$ 71,996	\$ 72,459	\$ 72,288	\$ 73,644	\$ 75,372	\$ 81,690	\$ 88,680	\$ 98,282	\$ 1,10,946	\$ 1,28,019

THE COCA-COLA COMPANY					
(in USD million except per Share Data)					
Cash Flow Statement	12 Months 31-Dec-25	12 Months 31-Dec-26	12 Months 31-Dec-27	12 Months 31-Dec-28	12 Months 31-Dec-29
Cash From Operating Activities					
Net Income	5,421	7,203	9,241	11,581	14,162
Depreciation and amortization	2,862	3,225	3,665	4,195	4,833
Change in assets and liabilities:					
Trade accounts receivable	(1,338)	(824)	(982)	(1,171)	(1,396)
Inventories	(539)	(355)	(424)	(505)	(602)
Prepaid expenses and other current assets	-	-	-	-	-
Accrued Salaries	952	1,032	1,230	1,467	1,749
Accounts payable and accrued expenses	1,818	1,168	1,393	1,660	1,980
Net Cash Provided by Operating Activities	9,176	11,449	14,123	17,227	20,726
Cash From Investing Activities					
Capital Expenditure	(7,246)	(8,555)	(10,115)	(11,975)	(14,193)
Net Cash Used for Investing Activities	(7,246)	(8,555)	(10,115)	(11,975)	(14,193)
Cash From Financing Activities					
Cash dividends paid	(75)	(100)	(128)	(161)	(197)
Debt Raised	-	-	-	-	-
Debt Repaid	(1,798)	(2,313)	(2,133)	(1,884)	(621)
Net Cash Provided by/(Used for) Financing Activities	(1,873)	(2,413)	(2,261)	(2,045)	(818)
Net Increase/(Decrease) in Cash and Cash Equivalents	56	481	1,746	3,207	5,715
Cash and Cash Equivalents, Beginning of Year	3,069	3,125	3,606	5,352	8,559
Cash and Cash Equivalents, End of Period	3,125	3,606	5,352	8,559	14,274



DELTA