LUFTHANSA GROUP

NEW NORMAL. NEW STRENGTH.

3rd Interim Report
January – September 2022

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The Lufthansa Group

KEY FIGURES

		Jan - Sep 2022	Jan - Sep 2021	Change in %	Jul - Sep 2022	Jul - Sep 2021	Change in %
Revenue and result							
Total revenue	€m	23,893	10,978	118	10,068	5,207	93
of which traffic revenue	€m	18,891	7,550	150	8,230	3,913	110
Operating expenses[1]	€m	24,593	13,685	80	9,629	5,415	78
Adjusted EBITDA[1]	€m	2,636	60	4,293	1,706	810	111
Adjusted EBIT[1]	€m	934	-1,624		1,132	251	351
EBIT	€m	826	-2,123		1,126	-9	
Net profit/loss	€m	484	-1,877		809	-72	
Key balance sheet and cash flow statement figures							
Total assets	€m	47,559	41,903	13	–	–	
Equity	€m	9,181	3,694	149	–	–	
Equity ratio	%	19.3	8.8	10.5 pts	–	–	
Net indebtedness	€m	6,190	9,006	-31	–	–	
Net pension obligations	€m	2,075	2,764	-25	–	–	
Cash flow from operating activities[1]	€m	5,328	513	939	887	466	90
Gross capital expenditures[2]	€m	1,816	967	88	448	355	26
Net capital expenditures	€m	1,753	785	123	372	342	9
Adjusted free cash flow[1]	€m	3,312	-528		410	43	853
Key profitability figures							
Adjusted EBITDA margin[1]	%	11.0	0.5	10.5 pts	16.9	15.6	1.3 pts
Adjusted EBIT margin[1]	%	3.9	-14.8	18.7 pts	11.2	4.8	6.4 pts
EBIT margin	%	3.5	-19.3	22.8 pts	11.2	-0.2	11.4 pts
Lufthansa share							
Share price as of 30 September	€	5.92	5.94	0	–	–	
Earnings per share	€	0.40	-3.17		0.68	-0.15	
Employees							
Employees as of 30 September	number	107,970	106,684	1	–	–	

KEY FIGURES (CONTINUED)

		Jan - Sep 2022	Jan - Sep 2021	Change in %	Jul - Sep 2022	Jul - Sep 2021	Change in %
Traffic figures[3]							
Flights	number	615,603	291,329	111	245,173	170,553	44
Passengers	thousands	75,722	29,664	155	33,340	19,623	70
Available seat-kilometres	millions	193,307	94,073	105	77,690	49,883	56
Revenue seat-kilometres	millions	152,868	55,967	173	66,927	34,341	95
Passenger load factor	%	79.1	59.5	19.6 pts	86.1	68.8	17.3 pts
Available cargo tonne-kilometres	millions	10,456	8,458	24	3,789	3,089	23
Revenue cargo tonne-kilometres	millions	6,355	6,139	4	2,104	2,065	2
Cargo load factor	%	60.8	72.6	-11.8 pts	55.5	66.8	-11.3 pts

[1] Previous year's figures have been adjusted due to amendments in the definition of the figures ↗ Notes, p. 34.
[2] Without acquisition of equity investments.
[3] Previous year's figures have been adjusted.
Date of publication: 27 October 2022.

Contents

Course of business

OVERVIEW OF THE COURSE OF BUSINESS

Performance of the Lufthansa Group improves significantly over the course of the reporting period

— The Lufthansa Group's performance improved significantly over the course of the first nine months of 2022; although the first months of the year were still burdened by the spread of the Omicron variant; demand for flights rose significantly over the remainder of the year; capacity at the Passenger Airlines was continuously expanded during the year; it was 105% up year-on-year in the reporting period, and thus at 70% of the pre-crisis level in 2019.

— Revenue for the Lufthansa Group increased accordingly by 118% year-on-year to EUR 23,893m (previous year: EUR 10,978m).

— The war in Ukraine had a negative impact on the Lufthansa Group's results due to the significant increase in kerosene prices; however, demand was hardly affected.

— The Lufthansa Group was able to achieve a positive Adjusted EBIT of EUR 934m again in the reporting period (previous year: EUR -1,624m); the Adjusted EBIT margin was 3.9% (previous year: -14.8%).

— The Logistics and MRO segments were the main contributors to the positive result; in the Passenger Airlines segment, SWISS and Austrian Airlines reported positive earnings, whereas the other Group airlines posted operating losses due to the difficult market environment at the start of the year. ↗ **Business segments, p. 9.**

— Further progress was made in implementing the restructuring programme; measures taken by 30 September 2022 account for around 90% of the EUR 3.5bn in total annual savings targeted from 2024 onwards.

— Adjusted free cash flow came to EUR 3,312m (previous year: EUR -528m) and benefited primarily from the earnings increase, improvements in working capital management, strong new bookings and the associated advance payments for flights, as well as from disciplined investing activities. ↗ **Financial performance, p. 4.**

SIGNIFICANT EVENTS

Kühne Aviation GmbH holds 17.5% of issued capital

— Through its notification of voting rights of 6 July 2022, Kühne Aviation GmbH notified Deutsche Lufthansa AG that on 5 July 2022 its interest in the shares of Deutsche Lufthansa AG had exceeded the threshold of 15% of issued capital and amounted to 15.01% on this date; the holding was further increased to 17.5% in the third quarter.

ESF sells remaining shares and brings stabilisation measures to an end

— Through its notification of voting rights of 14 September 2022, the Republic of Germany notified Deutsche Lufthansa AG that on 13 September 2022 the remaining interest of the Economic Stabilisation Fund (ESF) in the shares of Deutsche Lufthansa AG had been sold in full.

— This brings all the remaining restrictions under the stabilisation measures to an end.

— After the stabilisation measures had been ended, Deutsche Lufthansa AG paid the outstanding interest on the 2015 hybrid bond on 10 October 2022.

Lufthansa Group signs new agreements with ver.di and the Vereinigung Cockpit pilots' union

— The Lufthansa Group and the trade union ver.di agreed on a new wage settlement for some 20,000 Lufthansa payscale ground staff on 4 August 2022; the agreement provides for a phased increase in basic pay, especially for the lower pay groups, and runs for 18 months; ver.di had previously called a one-day strike at the end of June.

— The Lufthansa Group and the Vereinigung Cockpit pilots' union agreed on 12 September 2022, among other things, to increase the basic salary for pilots at Lufthansa and Lufthansa Cargo by a total of EUR 980; the agreement also includes a no-strike commitment for the remuneration and collective bargaining agreement until the end of June 2023; the pilots had previously followed the call from Vereinigung Cockpit and held a one-day strike on 2 September 2022.

EVENTS AFTER THE REPORTING PERIOD

Pilots' strike at Eurowings Germany

— Following a call by the Vereinigung Cockpit pilots' union, the pilots at Eurowings Germany held a one-day strike on 6 October 2022 and a three-day strike from 17 October to 19 October 2022 in support of their demand for more days off, stricter limits on working hours and longer rest periods, among other things; the strike meant that only around 50% of the daily flights could take place as planned.

SWISS and Aeropers agree on outline of a new collective agreement

— SWISS and the Aeropers pilots' union agreed on the outline of a new collective agreement on 24 October 2022; it includes, among other things, improvements in the areas of social life planning and remuneration; the new collective agreement still requires the approval of Aeropers members.

Financial performance

EARNINGS POSITION

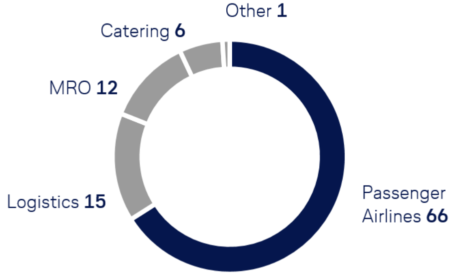
Traffic revenue up significantly year-on-year

— Capacity (available seat-kilometres) at the Passenger Airlines in the Lufthansa Group increased by 105% year-on-year in the first nine months of 2022; compared with the pre-crisis level, i.e. the first nine months of the 2019 financial year, capacity came to 70%; sales (revenue seat-kilometres) were up by 173%; the passenger load factor rose by 19.6 percentage points to 79.1%; traffic revenue in the passenger business also increased due to significantly higher yields by EUR 10,181m, or 216%, to EUR 14,899m (previous year: EUR 4,718m).

— The Lufthansa Group's cargo business continued to perform very well in the reporting period; demand for airfreight remained strong due to ongoing disruption to global supply chains, which resulted in high freight rates as capacity is still limited; capacity (available cargo tonne-kilometres) was up 24% on the year due to increased belly capacities; capacity was at 80% of its pre-crisis level; sales (revenue cargo tonne-kilometres) rose by 4%; the cargo load factor of 60.8% was 11.8 percentage points below last year, however; traffic revenue in the cargo business rose by EUR 1,160m, or 41%, to EUR 3,992m (previous year: EUR 2,832m).

— Total traffic revenue for the Lufthansa Group airlines climbed year-on-year by EUR 11,341m, or 150%, to EUR 18,891m in the first nine months of the 2022 financial year (previous year: EUR 7,550m).

EXTERNAL REVENUE SHARE OF THE BUSINESS SEGMENTS
in % (Jan - Sep 2022)



Revenue more than doubled compared with last year

— Other revenue increased by EUR 1,574m, or 46%, to EUR 5,002m (previous year: EUR 3,428m), mainly due to the increase in business activities and the associated higher revenues in the MRO and Catering business segments.

— Revenue, which consists of traffic revenue plus other revenue, rose by EUR 12,915m, or 118%, to EUR 23,893m (previous year: EUR 10,978m); other operating income increased by EUR 547m, or 50%, to EUR 1,633m (previous year: EUR 1,086m), especially due to foreign exchange gains; operating income rose by EUR 13,462m, or 112%, to EUR 25,526m (previous year: EUR 12,064m).

Operating expenses up year-on-year

— Operating expenses at the Lufthansa Group rose overall year-on-year in the reporting period by EUR 10,908m, or 80%, to EUR 24,593m (previous year: EUR 13,685m), mainly due to the overall business recovery.

— The cost of materials and services at the Lufthansa Group came to EUR 13,630m, which was EUR 7,800m, or 134%, higher than a year ago (previous year: EUR 5,830m); fuel expenses went up by EUR 4,169m, or 289%, to EUR 5,613m (previous year: EUR 1,444m); the change is due to higher prices, both for crude oil and jet crack (price difference between crude oil and kerosene); higher volumes and adverse currency effects also had an effect; the impact of significantly higher prices was offset by hedging; the hedging result was EUR 817m.

— Operating staff costs were up by EUR 1,694m, or 40%, to EUR 5,894m (previous year: EUR 4,200m); the increase is particularly due to lower effects from short-time work, increased variable salary components and the end of savings from the crisis wage agreements; state support of EUR 94m for short-time work was received in the reporting period (previous year: EUR 762m); this was partially offset by the 2% decline in the average number of employees.

— Depreciation and amortisation were almost unchanged year-on-year at EUR 1,702m (previous year: EUR 1,684m) and related mainly to aircraft and reserve engines.

— Other operating revenue rose by EUR 1,396m, or 71%, to EUR 3,367m (previous year: EUR 1,971m), particularly due to higher foreign exchange losses, higher sales and marketing expenses and higher travel expenses.

REVENUE, INCOME AND EXPENSES

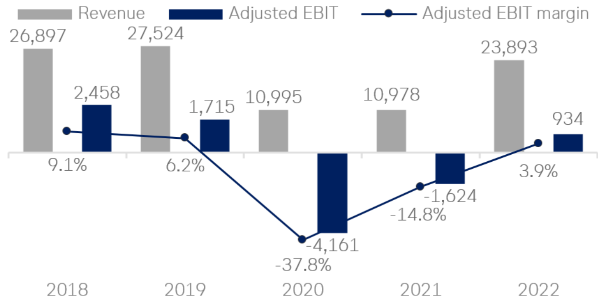
in €m	Jan - Sep 2022	Jan - Sep 2021	Change in %
Traffic revenue	18,891	7,550	150
Other revenue	5,002	3,428	46
Total revenue	**23,893**	**10,978**	**118**
Other operating income	1,633	1,086	50
Total operating income	**25,526**	**12,064**	**112**
Cost of materials and services	13,630	5,830	134
of which fuel	5,613	1,444	289
of which other raw materials, consumables and supplies and purchased goods	2,022	1,190	70
of which fees and charges	2,753	1,390	98
of which external services MRO	1,261	794	59
Staff costs[1]	5,894	4,200	40
Depreciation	1,702	1,684	1
Other operating expenses	3,367	1,971	71
Total operating expenses[1]	**24,593**	**13,685**	**80**
Operating result from equity investments	1	-3	
Adjusted EBIT[1]	**934**	**-1,624**	
Total reconciliation EBIT[1]	-108	-499	78
EBIT	**826**	**-2,123**	
Net interest	-307	-332	8
Other financial items	225	137	64
Profit/loss before income taxes	**744**	**-2,318**	
Income taxes	-252	431	
Profit/loss after income taxes	**492**	**-1,887**	
Profit/loss attributable to minority interests	-8	10	
Net profit/loss attributable to shareholders of Deutsche Lufthansa AG	**484**	**-1,877**	

[1] Previous year's figures have been adjusted due to amendments in the definition of the figures ↗ Notes, p. 34.

Positive Adjusted EBIT of EUR 934m in the reporting period

- The Lufthansa Group reported positive Adjusted EBIT of EUR 934m in the first nine months of the 2022 financial year (previous year: EUR -1,624m); earnings for the third quarter of 2022 amounted to EUR 1,132m (previous year: EUR 251m); the Adjusted EBIT margin, i.e. the ratio of Adjusted EBIT to revenue, came to 3.9% in the first nine months of 2022 (previous year: -14.8%).
- EBIT in the reporting period came to EUR 826m (previous year: EUR -2,123m); in contrast to Adjusted EBIT, this figure includes expenses of EUR 118m in connection with the war in Ukraine and net income of EUR 55m in connection with restructuring measures (previous year: net expense of EUR 454m); the net income results from netting restructuring expenses against the reversal of unused provisions following the successful conclusion of the restructuring measures.
- Net interest rose year-on-year by 8% to EUR -307m (previous year: EUR -332m).
- Other financial items improved by 64% to EUR 225m (previous year: EUR 137m) and mainly related to positive effects from the recognition in profit or loss of the convertible bond measurement, strategic interest rate swaps and foreign exchange hedges.
- Income taxes came to EUR -252m (previous year: EUR 431m); no deferred taxes were recognised for the current year's losses at companies with a history of losses; this meant the effective tax ratio was 34%.
- The net result attributable to shareholders of Deutsche Lufthansa AG in the reporting period came to EUR 484m (previous year: EUR -1,877m).
- Earnings per share amounted to EUR 0.40 (previous year: EUR -3.17).

DEVELOPMENT OF REVENUE, ADJUSTED EBIT in €m (Jan - Sep) **AND ADJUSTED EBIT MARGIN** in % (Jan - Sep)



RECONCILIATION OF RESULTS

	Jan - Sep 2022		Jan - Sep 2021	
in €m	Income statement	Reconciliation Adjusted EBIT	Income statement	Reconciliation Adjusted EBIT
Total revenue	23,893		10,978	
Changes in inventories and work performed by entity and capitalised	230		72	
Other operating income	1,521		1,064	
of which book gains		-36		-19
of which write-ups on capital assets and assets held for sale		-3		-30
of which write-backs of provisons for restructuring expenses, significant litigation costs and business combinations cost		-79		–
Total operating income	25,644	-118	12,114	-49
Costs of materials and services	-13,673		-5,830	
of which extraordinary costs of material		43		–
Staff costs	-5,934		-4,652	
of which past service costs/settlements		15		-2
of which restructuring expenses[1]		24		454
Depreciation	-1,726		-1,736	
of which impairment losses		24		52
Other operating expenses	-3,469		-2,016	
of which impairment losses on assets held for sale		15		13
of which expenses incurred from book losses		15		31
of which expenses of significant litigation		4		–
of which expenses of business combinations		27		–
of which other extraordinary expenses		42		–
Total operating expenses	-24,802	209	-14,234	548
Profit/loss from operating activities	842		-2,120	
Result from equity investments	-16		-3	
of which impairment losses on investments accounted for using the equity method		17		–
EBIT	826		-2,123	
Total amount of reconciliation Adjusted EBIT[1]		108		499
Adjusted EBIT[1]		934		-1,624
Depreciation		1,702		1,684
Adjusted EBITDA[1]		2,636		60

[1] Previous year's figures adjusted due to changes in the definition of key figures ↗ Notes, p. 34.

FINANCIAL POSITION

Investment volume up on previous year

— Gross capital expenditure for the Lufthansa Group climbed year-on-year by EUR 849m, or 88%, to EUR 1,816m in the first nine months of the 2022 financial year (previous year: EUR 967m) and related mainly to advance payments on future aircraft purchases, capitalised major maintenance events and final payments for eight new aircraft.

— Including payments for replacement parts for aircraft and proceeds from the sale of assets, especially aircraft, net capital expenditure came to EUR 1,753m (previous year: EUR 785m).

Positive cash flow from operating activities of EUR 5,328m

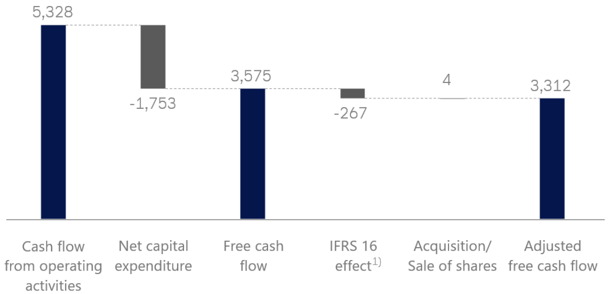
— The Lufthansa Group achieved positive cash flow from operating activities of EUR 5,328m in the reporting period (previous year: EUR 513m); the year-on-year improvement stems mainly from the improvement in EBITDA and increased cash inflows due to the change in working capital (EUR 2,559m, previous year: EUR 917m).

— Inflows from the change in working capital were related to higher liabilities from unused flight documents and strict management of trade receivables and payables; liabilities from unused flight documents rose by EUR 2,236m in the reporting period (previous year: EUR 1,009m); the operational recovery led to an increase in both trade receivables and payables; however, the increase in payables (EUR 1,831m) was higher than in receivables (EUR 1,264m).

Adjusted free cash flow comes to EUR 3,312m

— Adjusted free cash flow rose to EUR 3,312m in the reporting period (previous year: EUR -528m); the improvement is primarily due to the increase in cash flow from operating activities, partly offset by increased net capital expenditure.

ADJUSTED FREE CASH FLOW in €m (Jan - Sep 2022)



Financing activities result in cash outflow

— The balance of financing activities resulted in a net cash outflow of EUR -1,569m (previous year: inflow of EUR 2,032m).

— This stems from the repayment of financial liabilities and stabilisation measures amounting to a total of EUR 1,877m; in addition to further scheduled debt repayments for aircraft financing, four borrower's note loans totalling EUR 525m were repaid; furthermore, the loans received by the LSG group under the US CARES Act totalling EUR 156m and the Swiss government loan totalling EUR 418m were each repaid in full and the government loan in Austria was repaid by EUR 30m; in addition, the unused portion of the government loan in Switzerland in the amount of EUR 1,074m was terminated.

— These payments were offset by cash inflows from new capital market financing of EUR 591m; these were in particular two borrower's note loans amounting to EUR 165m, Japanese operating leases for six aircraft amounting to EUR 304m and asset-backed securities (ABS) financing measures by AirPlus amounting to EUR 90m.

Total available liquidity of EUR 11.8bn

— Balance-sheet liquidity (total of cash, current securities and fixed-term deposits) came to EUR 9,723m as of 30 September 2022 (31 December 2021: EUR 7,666m); EUR 8,090m of the total was available centrally at Deutsche Lufthansa AG.

— In addition, unused credit lines of EUR 2,060m were available; thereof EUR 2,000m via the revolving credit line concluded in April 2022.

— As of 30 September 2022, the Company therefore had EUR 11,783m of available liquidity in total (31 December 2021: EUR 9,445m).

NET ASSETS

Non-current assets up by EUR 505m

— As of 30 September 2022, non-current assets of EUR 29,568m were 2% higher than at year-end 2021 (31 December 2021: EUR 29,063m); the increase in derivative financial instruments (EUR +1,194m), in aircraft and reserve engines (EUR +767m), and in loans and receivables (EUR +343m), were partially offset by the decrease of deferred tax assets due to tax effects associated with the lower valuation of pension obligations (EUR -1,870m).

— The value of aircraft and reserve engines increased to EUR 16,085m (31 December 2021: EUR 15,318m); down payments were made on current orders and investments in major maintenance events and new aircraft (one Boeing 787, one B777F, four Airbus A321s and eight A320s); the Lufthansa Group fleet comprised a total of 709 aircraft as of 30 September 2022.

Current assets increase by around EUR 4.5bn

- Current assets rose by EUR 4,516m to EUR 17,991m as of 30 September 2022 (31 December 2021: EUR 13,475m), largely due to the increase in cash and cash equivalents, including current securities (EUR +2,057m), higher current trade and other receivables (EUR +1,277m) and the rise in derivative financial instruments (EUR +1,034m).
- Assets held for sale of EUR 221m mainly related to four aircraft.

Non-current provisions and liabilities decrease by around EUR 4.2bn

- Non-current provisions and liabilities were down by EUR 4,245m to EUR 19,121m as of 30 September 2022 (31 December 2021: EUR 23,366m).
- Non-current borrowing of EUR 14,547m was EUR 494m lower than at year-end 2021 (31 December 2021: EUR 15,041m); the decline is due largely to the repayment of the long-term stabilisation measures under the US CARES Act and the government guaranteed loans in Switzerland. ↗ **Financial position, p. 7.**
- Net pension obligations, i.e. pension provisions less asset surpluses at some pension plans, which are presented separately in non-current assets, fell by EUR 4,465m to EUR 2,075m (31 December 2021: EUR 6,540m); pension provisions declined by EUR 4,116m to EUR 2,560m (31 December 2021: EUR 6,676m), largely due to the increase in the interest rate of 2.5 percentage points to 3.8%, which was used to discount pension obligations in Germany and Austria; the effect was partly offset by the decline in the performance of plan assets.

Current provisions and liabilities increase by around EUR 4.6bn

- Current provisions and liabilities went up by EUR 4,575m to EUR 19,257m as of 30 September 2022 (31 December 2021: EUR 14,682m), primarily as a result of higher liabilities from unused flight documents (EUR +2,236m), higher current trade payables and higher other financial liabilities (EUR +2,191m).

Equity up by around EUR 4.7bn

- Shareholders' equity rose by EUR 4,691m compared with year-end 2021 to EUR 9,181m as of 30 September 2022 (31 December 2021: EUR 4,490m), mainly because of positive valuation effects on pensions and financial instruments recognised directly in equity, as well as the profit for the first nine months of the current financial year.
- The equity ratio increased by 8.7 percentage points compared with year-end 2021 to 19.3% (31 December 2021: 10.6%).
- Positive free cash flow brought net indebtedness down to EUR 6,190m, a reduction of EUR 2,833m on year-end 2021 (31 December 2021: EUR 9,023m); Adjusted net debt, the sum of net indebtedness and net pension obligations less 50% of the hybrid bond issued in 2015, was down by EUR 7,298m compared with year-end 2021 to EUR 8,018m (31 December 2021: EUR 15,316m).
- The ratio of Adjusted net debt to Adjusted EBIT was 2.5.

CALCULATION OF NET INDEBTEDNESS

	30.09.2022 in €m	31.12.2021 in €m	Change in %
Liabilities to banks	-1,750	-2,461	29
Bonds	-6,583	-6,697	2
Lease liabilities	-2,566	-2,370	-8
Other non-current borrowing	-4,981	-5,142	3
	-15,880	-16,670	5
Other bank borrowing	-33	-19	-74
Group indebtedness	-15,913	-16,689	5
Cash and cash equivalents	2,447	2,307	6
Securities	7,276	5,359	36
Net indebtedness	-6,190	-9,023	31
Pension provisions	-2,560	-6,676	62
Pension surplus	485	136	257
Net pension obligations	-2,075	-6,540	68
Net indebtedness and net pension obligations	-8,265	-15,563	47

Business segments

PASSENGER AIRLINES BUSINESS SEGMENT[1)]

KEY FIGURES

		Jan - Sep 2022	Jan - Sep 2021	Change in %	Jul - Sep 2022	Jul - Sep 2021	Change in %
Revenue	€m	16,450	5,764	185	7,474	3,319	125
of which traffic revenue	€m	14,899	4,718	216	6,962	2,934	137
Total operating income	€m	17,145	6,178	178	7,790	3,395	129
Operating expenses[2)]	€m	17,652	8,940	97	7,136	3,655	95
Adjusted EBITDA[2)]	€m	832	-1,433		1,154	246	369
Adjusted EBIT[2)]	€m	-491	-2,758	82	709	-193	
EBIT	€m	-471	-3,022	84	696	-305	
Adjusted EBIT margin[2)]	%	-3.0	-47.8	44.8 pts	9.5	-5.8	15.3 pts
Segment capital expenditure	€m	1,525	756	102	430	221	95
Employees as of 30.09.	number	56,008	57,701	-3	–	–	
Flights[3)]	number	608,816	285,391	113	242,765	168,596	44
Passengers[3)]	thousands	75,722	29,664	155	33,340	19,623	70
Available seat-kilometres[3)]	millions	193,307	94,073	105	77,690	49,883	56
Revenue seat-kilometres[3)]	millions	152,868	55,967	173	66,927	34,341	95
Passenger load factor[3)]	%	79.1	59.5	19.6 pts	86.1	68.8	17.3 pts

[1)] Previous year's figures have been adjusted due to changes in segment reporting ↗ Notes, p. 34.
[2)] Previous year's figures have been adjusted due to amendments in the definition of the figures ↗ Notes, p. 34.
[3)] Previous year's figures have been adjusted.

— Financial reporting was changed at the beginning of the 2022 financial year to bring all passenger airlines in the Lufthansa Group together into one segment; this comprises the previously separate business segments Network Airlines and Eurowings. ↗ **Notes, p. 34.**

— The operating performance of the Passenger Airlines in the Lufthansa Group improved significantly over the first nine months of the 2022 financial year; in terms of demand, Passenger Airlines still suffered from the spread of the Omicron variant in the first quarter of 2022, but demand for flights rose significantly as the year went on, despite the war in Ukraine and ongoing travel restrictions in Asia.

— Capacity was added accordingly, resulting in overloads to air traffic infrastructure at times in the summer; Passenger Airlines and many competitors cut flights in order to relieve pressure on the system; along with many operational measures to optimise flight operations taken in agreement with system partners, this action delivered significant improvements in the course of the third quarter.

— Available capacity of the Passenger Airlines was 105% over the previous year in the first nine months of 2022, and thus at 70% of its pre-crisis level in 2019; the number of flights increased by 113%; sales were up by 173% and the passenger load factor of 79.1% was 19.6 percentage points higher than last year.

— Traffic revenue at the Passenger Airlines increased by EUR 10,181m or 216% to EUR 14,899m year-on-year due to higher traffic in the reporting period (previous year: EUR 4,718m); revenue of EUR 16,450m was EUR 10,686m, or 185%, higher than a year ago (previous year: EUR 5,764m); yields rose by 14.2% after adjusting for exchange rates.

- Exchange rate-adjusted unit revenues rose by 30.3% year-on-year thanks to higher yields and load factors; they were therefore 11.0% above their pre-crisis level in 2019.
- Operating expenses rose by EUR 8,712m, or 97%, to EUR 17,652m (previous year: EUR 8,940m); despite hedging, expenses for fuel in particular were significantly higher than last year (EUR +3,978m), due to increased flight operations and higher fuel prices; fees and charges were up on the year (EUR +1,352m) due to the expansion of flight activity; staff costs rose by EUR 1,116m despite the 5% reduction in the average workforce, largely because short-time work was significantly reduced.
- Exchange rate-adjusted unit costs excluding fuel and emissions trading fell year-on-year by 25.2% thanks to positive economies of scale as a result of increased traffic and further progress with implementing the cost-cutting programme; they were 12.4% higher than the pre-crisis level.
- Adjusted EBIT in the reporting period came to EUR -491m (previous year: EUR -2,758m), Passenger Airlines reported positive Adjusted EBIT of EUR 709m in the third quarter of 2022 (previous year: EUR -193m).
- EBIT came to EUR -471m in the reporting period (previous year: EUR -3,022m); the difference to Adjusted EBIT came mainly from net income from the reversal of restructuring provisions once the measures had been completed and from impairment losses on aircraft.
- Segment capital expenditure increased by EUR 769m, or 102%, to EUR 1,525m (previous year: EUR 756m) and was primarily related to advance payments for orders, major maintenance events and new aircraft.
- As of 30 September 2022, the number of employees fell year-on-year by 3% to 56,008 (previous year: 57,701), primarily as a result of voluntary redundancy programmes and fluctuation.

OPERATING FIGURES

		Jan - Sep 2022	Jan - Sep 2021	Change in %	Exchange-rate adjusted change in %	Jul - Sep 2022	Jul - Sep 2021	Change in %	Exchange-rate adjusted change in %
Yields	€ Cent	8.9	7.5	18.9	14.2	9.6	7.7	24.7	18.6
Unit revenue (RASK)	€ Cent	8.6	6.4	36.0	30.3	9.8	6.8	43.5	36.1
Unit cost (CASK) excluding fuel and emissions trading	€ Cent	6.1	7.9	-22.5	-25.2	5.9	5.9	-1.1	-5.3

TRENDS IN TRAFFIC REGIONS

	Traffic revenue		Number of passengers		Available seat-kilometres		Revenue seat-kilometres		Passenger load factor	
	Jan - Sep 2022	Change	Jan - Sep 2022	Change	Jan - Sep 2022	Change	Jan - Sep 2022	Change	Jan - Sep 2022	Change
	in €m	in %	in thousands	in %	in millions	in %	in millions	in %	in %	in pts
Europe	6,538	180	61,872	148	79,834	110	62,746	134	78.6	8.3 pts
America	4,442	333	7,408	227	70,067	118	56,270	225	80.3	26.5 pts
Asia/Pacific	1,162	268	1,869	269	18,654	89	14,485	283	77.6	39.4 pts
Middle East/Africa	1,440	186	4,573	140	24,752	77	19,367	139	78.2	20.2 pts
Non allocable	1,317	145								
Total	14,899	216	75,722	155	193,307	105	152,868	173	79.1	19.6 pts

Lufthansa German Airlines[1]

KEY FIGURES		Jan - Sep 2022	Jan - Sep 2021	Change in %
Revenue	€m	9,411	3,094	204
Total operating income	€m	9,828	3,403	189
Operating expenses[2]	€m	10,393	5,274	97
Adjusted EBITDA[2]	€m	80	-1,241	
Adjusted EBIT[2]	€m	-574	-1,893	70
EBIT	€m	-546	-2,143	75
Employees as of 30.09.	number	34,272	36,240	-5
Flights	number	301,723	140,541	115
Passengers	thousands	38,147	14,374	165
Available seat-kilometres	millions	111,113	53,554	107
Revenue seat-kilometres	millions	87,893	30,747	186
Passenger load factor	%	79.1	57.4	21.7 pts

[1] Including regional partners and Eurowings Discover.
[2] Previous year's figures have been adjusted due to amendments in the definition of the figures ↗ Notes, p. 34.

- Lufthansa German Airlines continues to drive the modernisation of its fleet; the first of 32 Boeing 787 “Dreamliner” on order was received in Frankfurt on 30 August 2022.
- Deutsche Bahn became the first intermodal partner of the Star Alliance on 1 August 2022, providing climate-friendly travel to and from flight departures and arrivals.
- Karl-Hermann Brandes became the new Chief Operating Officer of Lufthansa German Airlines on 1 September 2022 as the successor to Ola Hansson.
- The significant increase in demand for air travel and higher unit revenues drove up revenue year-on-year at Lufthansa German Airlines by EUR 6,317m, or 204%, to EUR 9,411m in the reporting period (previous year: EUR 3,094m).
- Operating expenses of EUR 10,393m were EUR 5,119m, or 97%, higher than last year (previous year: EUR 5,274m), primarily due to the volume-, price- and currency-related increase in expenses for fuel and fees and charges, and higher staff costs as a consequence of significantly reduced short-time work.
- Adjusted EBIT in the reporting period came to EUR -574m (previous year: EUR -1,893m); in the third quarter 2022 Lufthansa German Airlines reported Adjusted EBIT of EUR 224m, the first time this figure was positive since the outbreak of the coronavirus pandemic (previous year: EUR -320m).
- EBIT in the reporting period came to EUR -546m (previous year: EUR -2,143m); the difference to Adjusted EBIT came mainly from net income from the reversal of restructuring provisions once the measures had been completed and from impairment losses on aircraft.

SWISS[1)]

KEY FIGURES		Jan - Sep 2022	Jan - Sep 2021	Change in %
Revenue	€m	3,467	1,330	161
Total operating income	€m	3,580	1,395	157
Operating expenses[2)]	€m	3,301	1,773	86
Adjusted EBITDA[2)]	€m	615	-45	
Adjusted EBIT[2)]	€m	279	-378	
EBIT	€m	278	-391	
Employees as of 30.09.	number	8,788	9,173	-4
Flights	number	90,584	42,307	114
Passengers	thousands	11,063	4,528	144
Available seat-kilometres	millions	32,177	16,994	89
Revenue seat-kilometres	millions	25,260	9,103	177
Passenger load factor	%	78.5	53.6	24.9 pts

[1)] Including Edelweiss Air.
[2)] Previous year's figures have been adjusted due to amendments in the definition of the figures ↗ Notes, p. 34.

- Increased flight operations and higher unit revenues in the reporting period enabled revenue at SWISS to rise year-on-year by EUR 2,137m, or 161%, to EUR 3,467m (previous year: EUR 1,330m).
- Operating expenses increased by EUR 1,528m, or 86%, to EUR 3,301m (previous year: EUR 1,773m); higher fuel expenses due to volumes, prices and exchange rates, accompanied by higher fees and charges and staff costs were partly offset by successful restructuring measures.
- This enabled SWISS to report a positive operating result in the first nine months of 2022; Adjusted EBIT came to EUR 279m (previous year: EUR -378m) and EBIT to EUR 278m (previous year: EUR -391m).

Austrian Airlines

KEY FIGURES		Jan - Sep 2022	Jan - Sep 2021	Change in %
Revenue	€m	1,366	491	178
Total operating income	€m	1,428	516	177
Operating expenses[1)]	€m	1,424	712	100
Adjusted EBITDA[1)]	€m	94	-92	
Adjusted EBIT[1)]	€m	4	-196	
EBIT	€m	-2	-198	99
Employees as of 30.09.	number	5,557	5,917	-6
Flights	number	70,079	38,237	83
Passengers	thousands	8,195	3,441	138
Available seat-kilometres	millions	16,192	7,393	119
Revenue seat-kilometres	millions	12,765	4,675	173
Passenger load factor	%	78.8	63.2	15.6 pts

[1)] Previous year's figures have been adjusted due to amendments in the definition of the figures ↗ Notes, p. 34.

- Austrian Airlines received the first of a total of four Airbus A320neos in mid-September; the A320neo is characterised by more efficient engines and lower noise emissions compared to previous models.
- Increased traffic and higher unit revenues in the reporting period caused revenue at Austrian Airlines to rise year-on-year by EUR 875m, or 178%, to EUR 1,366m (previous year: EUR 491m).
- Operating expenses of EUR 1,424m were EUR 712m, or 100%, higher than last year (previous year: EUR 712m), mainly due to higher fuel expenses resulting from volumes, prices and exchange rates and higher fees and charges due to volumes.
- Austrian Airlines was therefore able to report positive Adjusted EBIT of EUR 4m in the reporting period (previous year: EUR -196m); EBIT came to EUR -2m (previous year: EUR -198m).

Brussels Airlines

KEY FIGURES		Jan - Sep 2022	Jan - Sep 2021	Change in %
Revenue	€m	888	380	134
Total operating income	€m	943	402	135
Operating expenses[1)]	€m	980	543	80
Adjusted EBITDA[1)]	€m	45	-57	
Adjusted EBIT[1)]	€m	-37	-141	74
EBIT	€m	-37	-142	74
Employees as of 30.09.	number	3,199	3,020	6
Flights	number	38,769	18,495	110
Passengers	thousands	5,022	2,209	127
Available seat-kilometres	millions	12,277	7,174	71
Revenue seat-kilometres	millions	9,506	4,778	99
Passenger load factor	%	77.4	66.6	10.8 pts

[1)] Previous year's figures have been adjusted due to amendments in the definition of the figures ↗ Notes, p. 34.

- Tilman Reinshagen has been a member of the Brussels Airlines Management Board and Chief Operating Officer since 1 July 2022.
- Having achieved the envisaged cost position, Brussels Airlines has officially closed its Reboot Plus turnaround programme.
- Brussels Airlines added two medium-haul aircraft to its fleet, reacting to the quick recovery of demand for leisure travel.
- Brussels Airlines' revenue increased by EUR 508m, or 134%, year-on-year to EUR 888m in the first nine months of 2022 thanks to expanded flight operations and higher unit revenues (previous year: EUR 380m).

- In line with the increase in flight operations, operating expenses went up by EUR 437m, or 80%, to EUR 980m (previous year: EUR 543m), mainly due to higher fuel expenses resulting from volumes, prices and exchange rates and higher fees and charges due to volumes.

- Adjusted EBIT in the reporting period came to EUR -37m (previous year: EUR -141m); Brussels Airlines reported positive Adjusted EBIT of EUR 52m in the third quarter of 2022 (previous year: EUR 2m); EBIT for the reporting period also came to EUR -37m (previous year: EUR -142m).

Eurowings

KEY FIGURES		Jan - Sep 2022	Jan - Sep 2021	Change in %
Revenue	€m	1,427	530	169
Total operating income	€m	1,572	608	159
Operating expenses[1]	€m	1,733	777	123
Adjusted EBITDA[1]	€m	4	9	-56
Adjusted EBIT[1]	€m	-136	-143	5
EBIT	€m	-138	-141	2
Employees as of 30.09.	number	4,192	3,351	25
Flights	number	107,661	45,911	134
Passengers	thousands	13,294	5,117	160
Available seat-kilometres	millions	21,547	8,962	140
Revenue seat-kilometres	millions	17,444	6,664	162
Passenger load factor	%	81.0	74.4	6.6 pts

[1] Previous year's figures have been adjusted due to amendments in the definition of the figures ↗ Notes, p. 34.

- Eurowings is increasing its capacity for business travellers significantly due to rising demand; at the same time, the Lufthansa subsidiary is expanding the capacity of its BIZclass product on numerous routes.

- Revenue at Eurowings of EUR 1,427m was EUR 897m, or 169%, higher than last year, primarily due to volumes and higher yields (previous year: EUR 530m).

- Operating expenses increased by EUR 956m, or 123%, to EUR 1,733m (previous year: EUR 777m); fuel costs rose significantly due to volumes, prices and exchange rates, with fees and charges rising mainly due to higher volumes; staff costs increased due to the recruitment required to expand the flight programme and also because of the end of short-time work; expenses for aircraft charters went up due to the seasonal use of external wet lease partners.

- Adjusted EBIT at Eurowings in the reporting period came to EUR -136m (previous year: EUR -143m); the year-on-year improvement of EUR 7m stemmed largely from the broader flight programme and lower unit costs; Eurowings generated Adjusted EBIT of EUR 103m in the third quarter of 2022 (previous year: EUR 108m) and EBIT in the reporting period came to EUR -138m (previous year: EUR -141m).

LOGISTICS BUSINESS SEGMENT

KEY FIGURES

		Jan - Sep 2022	Jan - Sep 2021	Change in %	Jul - Sep 2022	Jul - Sep 2021	Change in %
Revenue	€m	3,567	2,542	40	1,141	871	31
of which traffic revenue	€m	3,426	2,429	41	1,091	834	31
Total operating income	€m	3,638	2,587	41	1,168	884	32
Operating expenses[1]	€m	2,346	1,661	41	842	589	43
Adjusted EBITDA[1]	€m	1,433	1,050	36	374	339	10
Adjusted EBIT[1]	€m	1,308	943	39	331	302	10
EBIT	€m	1,286	946	36	330	303	9
Adjusted EBIT margin[1]	%	36.7	37.1	-0.4 pts	29.0	34.7	-5.7 pts
Segment capital expenditure	€m	233	147	59	12	119	-90
Employees as of 30.09.	number	4,087	4,201	-3	–	–	
Available cargo tonne-kilometres[2]	millions	8,743	7,273	20	3,186	2,601	22
Revenue cargo tonne-kilometres[2]	millions	5,363	5,234	2	1,794	1,753	2
Cargo load factor[2]	%	61.3	72.0	-10.7 pts	56.3	67.4	-11.1 pts

[1] Previous year's figures have been adjusted due to amendments in the definition of the figures ↗ Notes, p. 34.
[2] Previous year's figures have been adjusted.

- The performance of the Logistics segment is still at a record high; total market freight capacity continues to be down as a result of the coronavirus pandemic and the consequent absence of belly capacities on passenger aircraft; demand for freight capacities remains high; operational stability has been maintained despite a difficult operating environment, which included lock-downs in China and diversions caused by flying around Russian airspace.

- Freight capacity was expanded in the reporting period by a second permanently converted A321F; Lufthansa Cargo responded to rising demand in the e-commerce sector by increasing freight capacity in the short- and medium-haul segment and so is able to offer clients even greater capacities for same-day deliveries; ongoing leases for two Boeing 777F freighters were also renewed for seven years from 2024 until 2031.

- Lufthansa Cargo made another investment to expand the capacity of its freighter fleet in the second quarter of 2022 with the order of three current-generation B777Fs and seven next-generation B777-8F freighters from Boeing; the first B777F was delivered in June 2022.

- Lufthansa Cargo's capacity was 20% up on the year in the reporting period, mainly from the recovery in passenger flight operations; sales rose by 2%; the cargo load factor fell by 10.7 percentage points to 61.3%; yields adjusted for exchange rate effects increased in all Lufthansa Cargo traffic regions and were 32.7% higher than the previous year; this represents a new record in the history of Lufthansa Cargo.

- Traffic revenue was also up in all traffic regions due to higher sales and higher yields, rising by EUR 997m, or 41%, to EUR 3,426m (previous year: EUR 2,429m); revenue rose by EUR 1,025m or 40% to EUR 3,567m (previous year: EUR 2,542m).

- Operating expenses rose by EUR 685m, or 41%, to EUR 2,346m, largely because of higher fuel costs and higher belly expenses paid to Group companies (previous year: EUR 1,661m).

- Adjusted EBIT improved by EUR 365m, or 39%, to EUR 1,308m (previous year: EUR 943m), primarily thanks to higher yields and sales, meaning Lufthansa Cargo achieved another record result in the reporting period.

- EBIT improved by EUR 340m, or 36%, to EUR 1,286m (previous year: EUR 946m); the difference to Adjusted EBIT stems primarily from restructuring costs and impairments in connection with the war in Ukraine.
- Segment capital expenditure amounted to EUR 233m (previous year: EUR 147m).
- As of 30 September 2022, the number of employees fell by 3% to 4,087 (previous year: 4,201).

TRENDS IN TRAFFIC REGIONS

	Traffic revenue		Available cargo tonne-kilometres		Revenue cargo tonne-kilometres		Cargo load factor	
	Jan - Sep 2022	Change	Jan - Sep 2022	Change	Jan - Sep 2022	Change	Jan - Sep 2022	Change
	in €m	in %	in millions	in %	in millions	in %	in %	in pts
Europe	217	39	442	28	195	10	44.1	-6.9 pts
America	1,602	38	4,735	35	2,658	9	56.1	-13.2 pts
Asia/Pacific	1,389	46	2,842	-1	2,122	-6	74.7	-4.2 pts
Middle East/Africa	218	37	724	35	388	10	53.5	-12.2 pts
Total	**3,426**	**41**	**8,743**	**20**	**5,363**	**2**	**61.3**	**-10.7 pts**

MRO BUSINESS SEGMENT

KEY FIGURES

		Jan - Sep 2022	Jan - Sep 2021	Change in %	Jul - Sep 2022	Jul - Sep 2021	Change in %
Revenue	€m	4,013	2,746	46	1,422	1,029	38
of which with companies of the Lufthansa Group	€m	1,093	590	85	382	234	63
Total operating income	€m	4,275	3,002	42	1,512	1,111	36
Operating expenses[1]	€m	3,838	2,704	42	1,321	958	38
Adjusted EBITDA[1]	€m	530	417	27	221	193	15
Adjusted EBIT[1]	€m	397	284	40	177	149	19
EBIT	€m	337	123	174	184	22	736
Adjusted EBIT margin[1]	%	9.9	10.3	-0.4 pts	12.4	14.5	-2.1 pts
Segment capital expenditures	€m	59	56	5	31	17	82
Employees as of 30.09.	number	20,233	21,107	-4	–	–	

[1] Previous year's figures have been adjusted due to amendments in the definition of the figures ↗ Notes, p. 34.

- The positive performance at Lufthansa Technik continued in the third quarter; rising demand for flights, especially in the summer months, resulted in higher demand for maintenance and repair work, which had a positive impact on revenue and earnings, as did the US dollar's rise against the euro; challenges included rising expenses for commodities, materials and labour, as well as global market shortages.
- Sören Stark has been the new Chief Executive Officer of Lufthansa Technik and Harald Gloy the new Chief Operating Officer and Labor Director since 1 July 2022.
- Lufthansa Technik's revenue increased year-on-year in the reporting period by EUR 1,267m, or 46%, to EUR 4,013m (previous year: EUR 2,746m).
- Operating expenses increased by EUR 1,134m, or 42%, to EUR 3,838m (previous year: EUR 2,704m), mainly driven by the price- and volume-related increase in the cost of materials and services and higher staff costs due to the reduction in short-time work.
- Adjusted EBIT improved by EUR 113m, or 40%, to EUR 397m (previous year: EUR 284m); EBIT was affected by impairments due to the sanctions against Russia and came to EUR 337m (previous year: EUR 123m).
- Segment capital expenditure rose by EUR 3m, or 5%, to EUR 59m (previous year: EUR 56m).
- As of 30 September 2022, the number of employees fell year-on-year by 4% to 20,233 (previous year: 21,107).

CATERING BUSINESS SEGMENT

KEY FIGURES

		Jan - Sep 2022	Jan - Sep 2021	Change in %	Jul - Sep 2022	Jul - Sep 2021	Change in %
Revenue	€m	1,415	766	85	558	319	75
of which with companies of the Lufthansa Group	€m	42	19	121	19	7	171
Total operating income	€m	1,445	979	48	563	393	43
Operating expenses[1]	€m	1,447	913	58	557	354	57
Adjusted EBITDA[1]	€m	51	114	-55	26	55	-53
Adjusted EBIT[1]	€m	-7	54		6	35	-83
EBIT	€m	-28	29		5	34	-85
Adjusted EBIT margin[1]	%	-0.5	7.0	-7.5 pts	1.1	11.0	-9.9 pts
Segment capital expenditure	€m	21	12	75	9	4	125
Employees as of 30.09.	number	19,707	15,637	26	–	–	

[1] Previous year's figures have been adjusted due to amendments in the definition of the figures. ↗ Notes, p. 34

- The LSG group reported further revenue growth in the third quarter of 2022; in the North American market the increase was particularly strong, also thanks to currency effects; a gradual market recovery was also seen in Latin America and the Emerging Markets region; in Asia, by contrast, business only picked up slowly as many restrictions are still in place.
- Over the course of the third quarter of 2022, the LSG group signed and extended important contracts, including with Copa Airlines at 22 locations, China Southern Airlines in Thailand and GOL in Brazil; Retail inMotion renewed its key in-flight retail contract with Aer Lingus and relaunched its in-flight shopping business with a new product range on all long-haul flights by Lufthansa German Airlines.
- Revenue at the LSG group increased by EUR 649m, or 85%, to EUR 1,415m in the reporting period due to positive business performance in all regions, especially North America (previous year: EUR 766m).
- Other income fell by EUR 183m, or 86%, to EUR 30m, largely due to the cessation of subsidies received under the US CARES Act in the previous year (previous year: EUR 213m).

- Operating expenses increased by a total of EUR 534m, or 58%, to EUR 1,447m, principally due to the higher volume and price-related cost of materials and staff costs, as well as higher revenue-based airport fees (previous year: EUR 913m).
- Adjusted EBIT came to EUR -7m in the first nine months of 2022 in the absence of subsidies received pursuant to the US CARES Act (previous year: EUR 54m); not including these subsidies last year, Adjusted EBIT would have risen year-on-year.
- EBIT came to EUR -28m (previous year: EUR 29m); the difference to Adjusted EBIT stems primarily from impairment losses and expenses in connection with the war in Ukraine.
- Segment capital expenditure amounted to EUR 21m (previous year: EUR 12m).
- As of 30 September 2022, the number of employees rose year-on-year by 26% to 19,707 as a result of the general business recovery (previous year: 15,637).

ADDITIONAL BUSINESSES AND GROUP FUNCTIONS

KEY FIGURES

		Jan - Sep 2022	Jan - Sep 2021	Change in %	Jul - Sep 2022	Jul - Sep 2021	Change in %
Operating income	€m	1,919	1,301	48	783	63	1,143
Operating expenses[1]	€m	2,138	1,471	45	859	99	768
Adjusted EBITDA[1]	€m	-117	-82	-43	-39	-13	-200
Adjusted EBIT[1]	€m	-204	-168	-21	-69	-40	-73
EBIT	€m	-226	-219	-3	-66	-60	-10
Segment capital expenditures	€m	30	29	3	7	-3	
Employees as of 30.09.	number	7,935	8,038	-1	–	–	

[1] Previous year's figures have been adjusted due to amendments in the definition of the figures ↗ Notes, p. 34.

- Higher revenue, especially at the AirPlus companies, and higher exchange rate gains caused operating income for Additional Businesses and Group Functions to go up year-on-year in the reporting period by EUR 618m, or 48%, to EUR 1,919m (previous year: EUR 1,301m).
- Operating expenses increased EUR 667m, or 45%, to EUR 2,138m (previous year: EUR 1,471m), primarily due to higher foreign exchange losses and increased commercial activity at the companies.
- Adjusted EBIT came to EUR -204m (previous year: EUR -168m); higher expenses at Group Functions due to the absence of short-time work and higher IT expenses were partly offset by lower losses at AirPlus; EBIT came to EUR -226m (previous year: EUR -219m).
- As of 30 September 2022, the number of employees fell year-on-year by 1% to 7,935 (previous year: 8,038); the number of employees in Group Functions fell by 7%.

Opportunities and risk report

The opportunities and risks for the Group described in detail in the Annual Report 2021 have materialised or developed as follows:

- In the context of the coronavirus pandemic, international air traffic has stabilised again and most international travel restrictions have been lifted. Even if the situation should deteriorate again, uncoordinated global border closures are unlikely, although occasional regional restrictions remain a possibility. If the situation does get worse again, the Lufthansa Group would lobby for coordinated risk and evidence-based measures in dialogue with national, European and international policymakers. Overall, the risk for the Lufthansa Group has therefore declined.

- The operational disruptions that occurred in the summer, primarily due to staff shortages throughout the aviation industry, have since been reduced significantly thanks to the measures taken by the Lufthansa Group and its system partners. The punctuality of flights is still a challenge, as it is currently significantly below 80% for almost all European airlines. This in turn creates the risk of reputational damage and rising costs for compensation and support for affected passengers.

- Flight cancellations as a result of the crisis may lead to the loss of take-off and landing rights (slots). The basic rule on the use of slots is that the right to their reallocation in subsequent periods is lost if they have been used less than 80% of the time in a flight period. This rule was initially suspended by authorities worldwide until March 2021 and then reduced for subsequent periods due to the slump in air traffic caused by the coronavirus. In the event of concrete flight and/or travel restrictions it is also possible to justify flight cancellations with *force majeure*. The EU has defined a minimum slot use rate of 75% for winter 2022/2023 and authorised the European Commission to adjust this during the period under specific circumstances. Depending on the traffic situation, there is a risk that flights have to be flown even with low passenger load factors to maintain slots. The EU rules are more restrictive in some cases than in other regions of the world, so there is a risk that the EU rules will (only) be reciprocally applied there for EU companies. The same exceptions (force majeure) as in winter 2022/2023 will apply in summer 2023, but with an 80% slot use rate.

- A strike risk will continue to exist at different companies in the Lufthansa Group over the remainder of the year, in view of outstanding collective bargaining agreements in the Group, high inflation rates and the operational challenges resulting from the coronavirus pandemic, which continue to put pressure on the workforce. The fundamental agreement for the cockpit staff of Deutsche Lufthansa AG and Lufthansa Cargo AG and the agreement with ver.di for some 20,000 ground staff at Deutsche Lufthansa AG, Lufthansa Technik AG, Lufthansa Cargo AG and other Lufthansa subsidiaries has significantly reduced the strike risk for the employees covered by these contracts until 30 June 2023 and 31 December 2023 respectively. If the trade unions are successful in their demands, this may result in higher staff costs. Strikes can also lead to reputational damages and tangible economic impacts.

- Crude oil prices were highly volatile in the first nine months of 2022, reaching more than USD 120/barrel on some days. In addition, the price difference between crude oil and kerosene, known as the jet crack, has also increased. Further increases would lead to higher fuel expenses for the Lufthansa Group. The Lufthansa Group has also begun to implement jet crack hedges to mitigate the effects of any further increase. It also passes on rising costs to customers in the form of higher prices.

- The US dollar has strengthened significantly against the euro. Since the Lufthansa Group has a net requirement for US dollars, a further rise in the currency would have an adverse effect on earnings.

- Rising living expenses and energy costs mean that consumption patterns may change and the demand for flights may go down, with corresponding adverse effects on revenue for the Lufthansa Group.

- A shortage of energy and raw materials supplies in Germany and, in particular, a restriction of energy supplies to airports, airlines and suppliers as a part of critical infrastructure, could have an impact on the business activities of some of the Lufthansa Group's business segments and thus indirectly affect flight operations.

- Some suppliers, of spare parts for aircraft, for example, are affected by bottlenecks in the supply chain. Countermeasures are taken whenever possible to mitigate the risk of material and service shortages. These measures include coordination and cooperation with suppliers and activities to make supply chains more resilient and increase the security of supply.

- The German Federal State of Lower Saxony has launched an initiative in the *Bundesrat*, the second chamber of parliament, to ban the practice of requiring advance payments for flights. The Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV) has also spoken out in favour of the change. The proposals were triggered by operational difficulties, particularly the time taken to process compensation payments. Any ban on charging for tickets in advance would have a drastic effect on cash flows, pricing and ultimately on the liquidity of the Lufthansa Group. It would also result in price increases for tickets, which would lead to significant competitive disadvantages if Germany were to do it alone. In the public discourse around the topic, the Lufthansa Group regularly points out these consequences.

On the basis of its improved financial performance, the cost-reduction measures that have been initiated and the scenarios on which its financial planning is based, the Executive Board does not consider that the going concern of the Lufthansa Group is at risk.

Forecast

— The Group's financial outlook remains subject to a high degree of forecast uncertainty caused among other things by the recession risk inherent in the current outlook for the global economy, the ongoing war in Ukraine and its impact on energy supplies to Western Europe, and the further uncertain development of the coronavirus pandemic; all of this has a potentially significant influence on consumer confidence and demand for air travel; the further progress of negotiations with the collective bargaining partners and any strikes, as well as currently unforeseeable events, may also influence the Group's financial performance in the remainder of the year.

— The Lufthansa Group expects to be able to expand the capacity offered by its airlines in 2022 compared with the previous year; the capacity expansion will be driven largely by short-haul tourist routes in Europe; the Lufthansa Group also anticipates a continued recovery on long-haul routes and in the business travel segment, albeit at a lower level.

— Overall, the Lufthansa Group anticipates that available capacity for the Passenger Airlines in 2022 will be around 75% of its pre-crisis level, subject to the uncertainties mentioned above.

— Primarily due to the recovery at the Passenger Airlines, still favourable supply and demand dynamics in the Logistics segment, and a continued upswing in the MRO segment, the Lufthansa Group expects revenue to increase in 2022; however, the revenue level of the pre-crisis period will probably not yet be reached in 2022.

— In view of the positive performance in the third quarter, the current booking situation, which points to demand for flights remaining strong in the months ahead, and ongoing high freight rates in the Logistics segment, the Lufthansa Group is raising its earnings forecast for the full year; the Lufthansa Group now expects to report Adjusted EBIT of more than EUR 1bn for the full year 2022.

— The results in the Logistics segment should surpass last year's record level; a year-on-year increase in Adjusted EBIT is also expected from the MRO segment; the Adjusted EBIT loss in the Passenger Airlines segment is expected to decline significantly year-on-year; further progress in implementing the cost reduction programme in all business segments of the Group will support the earnings performance.

— The Lufthansa Group also expects to generate Adjusted free cash flow of more than EUR 2bn in 2022; the anticipated earnings improvement, inflows from strong demand for bookings, improvements in working capital management and disciplined investing activities are expected to contribute to this.

Further details on the Group's financial outlook can be found in the ↗ Annual Report 2021, starting on p. 136 and in the ↗ 2nd Interim Report 2022, on p. 20.

Interim financial statements

CONSOLIDATED INCOME STATEMENT

in €m	Jan - Sep 2022	Jan - Sep 2021	Jul - Sep 2022	Jul - Sep 2021
Traffic revenue	18,891	7,550	8,230	3,913
Other revenue	5,002	3,428	1,838	1,294
Total revenue	**23,893**	**10,978**	**10,068**	**5,207**
Changes in inventories and work performed by entity and capitalised	230	72	50	23
Other operating income[1]	1,521	1,064	608	409
Cost of materials and services	-13,673	-5,830	-5,574	-2,626
Staff costs	-5,934	-4,652	-2,166	-1,745
Depreciation, amortisation and impairment[2]	-1,726	-1,736	-578	-601
Other operating expenses[3]	-3,469	-2,016	-1,335	-737
Profit/loss from operating activities	**842**	**-2,120**	**1,073**	**-70**
Result of equity investments accounted for using the equity method	-39	-10	41	61
Result of other equity investments	23	7	12	–
Interest income	27	-1	8	1
Interest expenses	-334	-331	-103	-120
Other financial items	225	137	47	44
Financial result	**-98**	**-198**	**5**	**-14**
Profit/loss before income taxes	**744**	**-2,318**	**1,078**	**-84**
Income taxes	-252	431	-265	10
Profit/loss after income taxes	**492**	**-1,887**	**813**	**-74**
Thereof profit/loss attributable to non-controlling interests	8	-10	4	-2
Thereof net profit/loss attributable to shareholders of Deutsche Lufthansa AG	**484**	**-1,877**	**809**	**-72**
Basic/diluted earnings per share in €	**0.40**	**-3.17**	**0.68**	**-0.15**

[1] The total amount includes EUR 33m (previous year: EUR 62m) from the reversal of write-downs and allowances on receivables.
[2] The total amount includes EUR 2m (previous year: EUR 3m) for write-downs on non-current receivables.
[3] The total amount includes EUR 48m (previous year: EUR 47m) for the recognition of loss allowances on current receivables.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in €m	Jan - Sep 2022	Jan - Sep 2021	Jul - Sep 2022	Jul - Sep 2021
Profit/loss after income taxes	492	-1,887	813	-74
Other comprehensive income				
Other comprehensive income with subsequent reclassification to the income statement				
Differences from currency translation	337	83	175	53
Subsequent measurement of financial assets at fair value without effect on profit and loss	-70	-21	-31	-8
Subsequent measurement of hedges - cash flow hedge reserve	2,323	816	339	263
Subsequent measurement of hedges - costs of hedges	-157	119	-42	59
Other comprehensive income from investments accounted for using the equity method	–	4	-1	2
Other expenses and income recognised directly in equity	-4	-4	1	-3
Income taxes on items in other comprehensive income	-488	-209	-88	-75
	1,941	788	353	291
Other comprehensive income without subsequent reclassification to the income statement				
Revaluation of defined-benefit pension plans	4,525	2,600	588	491
Subsequent measurement of financial assets at fair value	–	2	–	–
Other comprehensive income from investments accounted for using the equity method	–	–	–	–
Other expenses and income recognised directly in equity	61	–	3	–
Income taxes on items in other comprehensive income	-1,528	-539	-238	-77
	3,058	2,063	353	414
Other comprehensive income after income taxes	4,999	2,851	706	705
Total comprehensive income	5,491	964	1,519	631
Thereof comprehensive income attributable to non controlling interests	30	-9	7	-1
Thereof comprehensive income attributable to shareholders of Deutsche Lufthansa AG	5,461	973	1,512	632

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

in €m	30/09/2022	31/12/2021	30/09/2021
Intangible assets with an indefinite useful life[1]	1,223	1,189	1,171
Other intangible assets	390	419	420
Aircraft and reserve engines	16,085	15,318	15,487
Repairable spare parts for aircraft	1,957	1,847	1,803
Property, plant and other equipment[2]	3,335	3,354	3,391
Investments accounted for using the equity method	408	434	426
Other equity investments	231	245	253
Non-current securities	37	38	38
Loans and receivables	868	525	428
Derivative financial instruments	2,088	894	763
Deferred charges and prepaid expenses	89	74	79
Effective income tax receivables	66	65	36
Deferred tax assets	2,791	4,661	4,672
Non-current assets	29,568	29,063	28,967
Inventories	790	675	661
Contract assets	225	179	197
Trade receivables and other receivables	4,963	3,686	3,764
Derivative financial instruments	1,576	542	470
Deferred charges and prepaid expenses	325	208	252
Effective income tax receivables	168	249	233
Securities	7,276	5,359	5,153
Cash and cash equivalents	2,447	2,307	2,105
Assets held for sale	221	270	101
Current assets	17,991	13,475	12,936
Total assets	47,559	42,538	41,903

[1] Including Goodwill.
[2] These include investment property of EUR 30 million (as of 31.12.2021: EUR 30 million).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SHAREHOLDERS' EQUITY AND LIABILITIES

in €m	30/09/2022	31/12/2021	30/09/2021
Issued capital	3,060	3,060	1,530
Capital reserve	956	956	378
Silent participation of the Economic Stabilization Fund	–	–	1,500
Retained earnings	1,336	491	204
Other neutral reserves	3,275	2,134	1,928
Net profit/loss	484	-2,191	-1,877
Equity attributable to shareholders of Deutsche Lufthansa AG	9,111	4,450	3,663
Minority interests	70	40	31
Shareholders' equity	9,181	4,490	3,694
Pension provisions	2,560	6,676	7,210
Other provisions	812	703	608
Borrowings	14,547	15,041	14,291
Contract liabilities	31	30	35
Other financial liabilities	78	67	78
Advance payments received, deferred income and other non-financial liabilities	29	30	35
Derivative financial instruments	510	290	270
Deferred tax liabilities	554	529	531
Non-current provisions and liabilities	19,121	23,366	23,058
Other provisions	945	1,255	1,030
Borrowings	1,333	1,629	1,956
Trade payables and other financial liabilities	6,377	4,186	4,099
Contract liabilities from unused flight documents	5,576	3,340	3,074
Other contract liabilities	2,663	2,609	2,826
Advance payments received, deferred income and other non-financial liabilities	829	648	1,250
Derivative financial instruments	788	247	232
Effective income tax obligations	746	705	657
Liabilities in connection with assets held for sale	–	63	27
Current provisions and liabilities	19,257	14,682	15,151
Total shareholders' equity and liabilities	47,559	42,538	41,903

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in €m	Issued capital	Capital reserve	Silent participation I	Fair value measurement of financial instruments	Currency differences	Revaluation reserve (due to business combinations)	Other neutral reserves	**Total other neutral reserves**	Retained earnings	Net profit/loss	**Equity attributable to shareholders of Deutsche Lufthansa AG**	Non-controlling interests	**Total shareholders' equity**
As of 01/01/2021	1,530	378	–	305	396	236	359	1,296	4,868	-6,725	1,347	40	1,387
Capital increases/reductions	–	–	1,500	–	–	–	–	–	–	–	1,500	–	1,500
Reclassifications	–	–	–	–	–	–	–	–	-6,725	6,725	–	–	–
Consolidated net profit/loss attributable to Lufthansa shareholders/minorities	–	–	–	–	–	–	–	–	–	-1,877	-1,877	-9	-1,886
Other expenses and income recognised directly in equity	–	–	–	707	83	–	-	790	2,061	–	2,851	–	2,851
Hedging results reclassified from non-financial assets to acquisition costs	–	–	–	-158	–	–	–	-158	–	–	-158	–	-158
As of 30/09/2021	1,530	378	1,500	854	479	236	359	1,928	204	-1,877	3,663	31	3,694
As of 01/01/2022	3,060	956	–	946	589	236	363	2,134	491	-2,191	4,450	40	4,490
Reclassifications	–	–	–	-	–	–	–	–	-2,191	2,191	–	–	–
Consolidated net profit/loss attributable to Lufthansa shareholders/minorities	–	–	–	–	–	–	–	–	–	484	484	8	492
Other expenses and income recognised directly in equity	–	–	–	1,608	337	–	-4	1,941	3,036	–	4,977	22	4,999
Hedging results reclassified from non-financial assets to acquisition costs	–	–	–	-800	–	–	–	-800	–	–	-800	–	-800
As of 30/09/2022	3,060	956	–	1,754	926	236	359	3,275	1,336	484	9,111	70	9,181

CONSOLIDATED CASH FLOW STATEMENT

in €m	Jan - Sep 2022	Jan - Sep 2021	Jul - Sep 2022	Jul - Sep 2021
Cash and cash equivalents at start of period	**2,305**	**1,804**	**2,702**	**2,042**
Net profit/loss before income taxes	744	-2,318	1,078	-84
Depreciation, amortisation and impairment losses on non-current assets (net of reversals)	1,721	1,708	578	574
Depreciation, amortisation and impairment losses on current assets (net of reversals)	-12	-14	-25	6
Net proceeds on disposal of non-current assets	-20	15	-7	-4
Result of equity investments	16	3	-53	-61
Net interest	307	332	95	119
Income tax payments/reimbursements	-34	-52	65	20
Significant non-cash expenses/income	-373	-246	-90	-86
Change in trade working capital	2,559	917	-618	267
Change in other assets/shareholders' equity and liabilities[2]	420	168	-136	-285
Cash flow from operating activities[2]	**5,328**	**513**	**887**	**466**
Capital expenditure for property, plant and equipment and intangible assets	-1,807	-956	-445	-352
Capital expenditure for financial investments	-9	-11	-3	-3
Additions/loss to repairable spare parts of aircraft	-78	40	10	-30
Proceeds from disposal of non-consolidated shares	25	2	21	2
Proceeds from disposal of consolidated shares	-4	-	-	-
Cash outflows for acquisitions of non-consolidated shares	-25	-15	-12	-8
Cash outflows for acquisitions of consolidated shares	-	-	-	-
Proceeds from disposal of intangible assets, property, plant and equipment and other financial investments	111	145	41	46
Interest income	11	1	5	1
Dividends received	23	9	11	2
Net cash from/used in investing activities	**-1,753**	**-785**	**-372**	**-342**
Purchase of securities/fund investments	-5,283	-4,527	-2,299	-1,676
Disposal of securities/fund investments[2]	3,365	3,029	1,680	1,126
Net cash from/used in investing and cash management activities[2]	**-3,671**	**-2,283**	**-991**	**-892**

CONSOLIDATED CASH FLOW STATEMENT (continued)

in €m	Jan - Sep 2022	Jan - Sep 2021	Jul - Sep 2022	Jul - Sep 2021
Capital increase/Silent Participation I	-	1,500	-	-
Non-current borrowing	591	3,996	157	1,132
Repayment of non-current borrowing	-1,877	-3,262	-271	-590
Dividends paid	-	-	-	-
Interest paid	-283	-202	-66	-82
Net cash from/used in financing activities	**-1,569**	**2,032**	**-180**	**460**
Net increase/decrease in cash and cash equivalents	**88**	**262**	**-284**	**34**
Changes due to currency translation differences	48	18	23	8
Cash and cash equivalents 30/09/2022[1]	**2,441**	**2,084**	**2,441**	**2,084**
Securities	7,276	5,153	7,276	5,153
Liquidity	**9,717**	**7,237**	**9,717**	**7,237**
Net increase/decrease in liquidity	2,053	1,779	358	592

[1] The difference between the bank balance and cash-in-hand shown in the statement of financial position comes from fixed-term deposits of EUR 6m with terms of four to twelve months (previous year: EUR 21m).
[2] Prior-year figures amended due to change in presentation of pension.

Notes

1 Applied standards, changes in the group of consolidated companies and accounting principles

The consolidated financial statements of Deutsche Lufthansa AG and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as applicable in the European Union (EU), taking account of interpretations by the IFRS Interpretations Committee (IFRIC). This interim report as of 30 September 2022 has been prepared in condensed form in accordance with IAS 34.

In preparing the interim financial statements, the standards and interpretations applicable as of 1 January 2022 have been applied. The interim financial statements as of 30 September 2022 have been prepared using the same accounting policies as those on which the preceding consolidated financial statements as of 31 December 2021 were based. The standards and interpretations mandatory from 1 January 2022 onwards had no effect on the Group's net assets, financial and earnings position, and no restatements resulting from new standards were necessary.

No significant changes to the group of consolidated companies occurred in the reporting period.

2 Going concern and presentation of funding measures to stabilize the economic situation

The business activities of the Lufthansa Group companies were again impacted by the effects of the coronavirus pandemic in the first nine months of 2022, and were also influenced by the economic effects of the armed conflict in Ukraine. Increasing levels of immunity and a milder course of the disease led to the easing or, in some cases, the complete suspension of Covid-related restrictions in the Lufthansa Group's home markets and in many other countries. The level of demand for flights thus picked up significantly, and the volume of bookings increased accordingly over the course of the financial year. The very steep increase in passenger demand did cause bottlenecks in operations and at system partners, however. These in turn meant that the higher demand could not be met in full, and at times only at a reduced quality. Against the background of these developments, revenue increased significantly compared with the prior-year period. At the same time, costs increased significantly. This was attributable in particular to the strong rise in fuel prices due to the war in Ukraine. Alongside other factors, high inflation rates also resulted in increases, in particular in personnel expenses under collective bargaining agreements.

The strong increase in the volume of business is having a positive impact on liquidity, and a significantly positive operating cash flow figure was achieved in the reporting period, particularly due to higher earnings and increased cash flows from ticket sales.

The stabilisation measures agreed in 2020 in Germany, Switzerland, Austria, Belgium and the USA are continuing to affect the Lufthansa Group.

Germany's Economic Stabilisation Fund (ESF) sold its remaining shares in Deutsche Lufthansa AG to various investors in the third quarter via accelerated bookbuilding. The ESF most recently held around 6.2% of the Company's share capital (74.4 million shares). The ESF acquired the original shareholding of 20% in the share capital of Deutsche Lufthansa AG in the summer of 2020 for EUR 306m. The sale also marked the end of all remaining conditions under the ESF stabilisation measures.

Following capital repayments totalling CHF 420m in the first half of 2022, the government-guaranteed credit lines provided in Switzerland as part of the Company's stabilisation measures were thus repaid in full ahead of schedule and subsequently cancelled. The other requirements which were associated with this government aid measure – in particular, the ring-fencing conditions – thus also no longer applied.

The original EUR 300m credit facility resulting from the support measures agreed in Austria has decreased to EUR 210m as of the reporting date. This was due to the EUR 60m repaid in the previous year as well as an additional EUR 30m redemption in the second quarter of the current financial year.

The credit facility of EUR 287m from the stabilisation package agreed with the Belgian government was used in full as of the reporting date.

With a payment of USD 164m in the first quarter of 2022, the LSG group repaid the loans provided in the USA as part of the CARES Act I-III in full with interest.

As of 30 September 2022, Deutsche Lufthansa AG had centrally available liquidity of EUR 8.1bn. Decentralised bank and cash balances came to EUR 1.6bn. In the second quarter, Deutsche Lufthansa AG concluded an agreement with a banking consortium providing a syndicated revolving line of credit with a volume of EUR 2.0bn and thus secured additional, flexible liquidity. Including this credit line, which had not been used as of 30 September 2022, the Lufthansa Group's available liquidity therefore comes to EUR 11.7bn.

Since there is still uncertainty surrounding travel opportunities and customer behaviour, the Lufthansa Group regularly updates its rolling liquidity planning to reflect the changing parameters for its forecast course of business. The direct effects associated with the armed conflict between Russia and Ukraine and the additional sources of uncertainty (such as the impact of impending energy supply restrictions) thus represent a risk for the continued business development. The earnings development in 2022 and beyond will continue to depend significantly on the course of the pandemic and on the extent of the economic impact of the war in Ukraine, which in turn are significant factors for the recovery potential of the aviation industry. The Lufthansa Group is inevitably directly affected by the significantly higher prices for energy, especially crude oil and kerosene. Management of operational problems due to staff shortages in the airline industry and the potential impact of general price increases and supply chain problems on economic development are further material risk factors.

Taking into account the corporate planning – which continues to assume an average available capacity of around 75% and over 85% of the 2019 level in 2022 and 2023 respectively – and the resulting liquidity planning, the further potential funding measures and the uncertainties about the future course of business, the Company's Executive Board considers the Group's liquidity to be secure for the next 18 months. In the management's opinion, the uncertainties in connection with the public and political debate on climate protection are not a threat to this forecast. These interim financial statements have accordingly been prepared on a going concern basis.

3 Notes to the income statement, statement of financial position, cash flow statement and segment reporting

The outbreak of the coronavirus pandemic and the steps taken worldwide to contain the virus had a massive impact on the Group's business operations in the 2020 and 2021 financial years. Further easing of international travel restrictions and quarantine rules has led to a significant increase in air travel at the Lufthansa Group companies in the course of the year to date. Accordingly, the comparability of income and expenses in 2022 compared with the figures of the previous year is limited. The war in Ukraine has affected expenses in particular, for instance, due to increased kerosene prices.

TOTAL REVENUE

TRAFFIC REVENUE BY AREA OF OPERATIONS

in €m	2022	Europe[1]	North-america[1]	Central- and South America[1]	Asia/ Pacific[1]	Middle East[1]	Africa[1]
Passenger-Airlines	15,465	10,769	2,853	354	854	342	293
Lufthansa German Airlines	8,533						
SWISS[2]	3,378						
Austrian Airlines	1,294						
Brussels	830						
Eurowings[2]	1,430						
Logistics	3,426	1,809	375	119	1,024	39	60
Total	**18,891**						

[1] Traffic revenue is allocated to the original location of sale.
[2] Disclosure of traffic revenue, including belly revenue; this is reported in the segment reporting in the reconciliation column.

TRAFFIC REVENUE BY AREA OF OPERATIONS

in €m	2021	Europe[1]	North-america[1]	Central- and South America[1]	Asia/ Pacific[1]	Middle East[1]	Africa[1]
Passenger-Airlines[3]	5,121	3,581	822	92	368	126	132
Lufthansa German Airlines	2,547						
SWISS[2]	1,255						
Austrian Airlines	446						
Brussels Airlines	341						
Eurowings[2]	532						
Logistics	2,429	1,227	257	85	788	27	45
Total	**7,550**						

[1] Traffic revenue is allocated to the original location of sale.
[2] Disclosure of traffic revenue, including belly revenue; this is reported in the segment reporting in the reconciliation column.
[3] restated.

OTHER OPERATING REVENUE BY AREA OF OPERATIONS

in €m	2022	Europe[1]	North-America[1]	Central and South America[1]	Asia/Pacific[1]	Middle East[1]	Africa[1]
MRO	2,920	1,080	1,058	79	515	157	31
MRO services	2,530						
Other operating revenue	390						
Catering	1,373	199	950	85	87	25	27
Catering services	1,129						
Revenue from in-flight sales	152						
Other services	92						
Passenger-Airlines	302	253	22	2	15	6	4
Logistics	108	61	43	–	–	4	–
Additional Businesses and Group Functions	299	207	27	13	32	13	7
IT services	116						
Travel management	136						
Other	47						
Total	5,002						

[1] Other operating revenue is allocated according to the original location of sale.

OTHER OPERATING REVENUE BY AREA OF OPERATIONS

in €m	2021	Europe[1]	North-America[1]	Central and South America[1]	Asia/Pacific[1]	Middle East[1]	Africa[1]
MRO	2,156	888	678	60	380	104	46
MRO services	1,841						
Other operating revenue	315						
Catering	747	61	557	43	53	13	20
Catering services	628						
Revenue from in-flight sales	60						
Other services	59						
Passenger-Airlines	209	182	8	1	10	6	2
Logistics	93	54	33	–	2	3	1
Additional Businesses and Group Functions	223	150	24	6	29	9	5
IT services	118						
Travel management	62						
Other	43						
Total	3,428						

[1] Other operating revenue is allocated according to the original location of sale.

OTHER OPERATING INCOME

Other operating income includes income from the write-back of restructuring provisions in the amount of EUR 79m. This is mainly attributable to measures implemented by Deutsche Lufthansa AG.

IMPAIRMENT

Due to changes made to the contracts of sale with Airbus for six Airbus A380s, the valuations of these aircraft which continue to be grounded were reduced by EUR 22m; of this amount, EUR 15m has been reported under other operating expenses. In addition, reserve engines to which the Group no longer has access have been written down in the amount of EUR 14m. Further EUR 3m are related to other non-current assets.

An impairment loss of EUR 17m was recognised on the carrying amount of a joint venture accounted for using the equity method. This amount forms part of the result of investments accounted for using the equity method.

GOVERNMENT AID MEASURES

Total state subsidies of EUR 105m were received from 1 January 2022 to 30 September 2022. These are primarily attributable to the reimbursement of wage-replacement benefits and social security contributions paid in the context of short-time work in Germany, Austria and Switzerland. This includes EUR 14m in subsidies for social security contributions, which are classified as support measures. Another EUR 10m in lump-sum subsidies was reported under other operating income.

Loans on below-market terms were granted by the Belgian government as part of the stabilisation measures. The interest rate subsidy they contain of EUR 3m for the current financial year is netted against interest expense.

CHANGE IN OTHER ESTIMATES

The war in Ukraine has caused uncertainty regarding the use of assets, particularly at Lufthansa Technik and in the Catering segment. This resulted in total expenses of EUR 118m for valuation allowances, depreciation and amortisation and impending compensation payments.

On the basis of the current earnings forecasts and, in particular, the significant increase in interest rates, the impairment tests in the financial statements as of 31 December 2021 for material business entities were analysed in terms of whether an impairment loss is likely on the basis of the changes in the parameters and the cash flow planning. In the medium and long term, the management continues to assume that the targets set out in last year's planning are achievable. The current changes in the interest rate curves have been taken into account by increasing the discount rates by 1.7 percentage points. The updated impairment testing did not establish any need for impairment of the cash-generating units.

AIRCRAFT AND RESERVE ENGINES

Fourteen newly purchased aircraft were capitalised in the reporting period. Right-of-use assets with a volume of EUR 213m were recognised for seven new aircraft deliveries.

The Lufthansa Group provided six aircraft as collateral for new loans of EUR 304m taken out in the current financial year by way of aircraft financing models.

DEFERRED TAXES

The net amount of deferred tax assets decreased significantly, in particular due to the decrease in pension obligations. The deferred tax assets recognised on tax loss carry-forwards from prior years were again deemed to have a realisable value because the losses were caused by a temporary exogenous shock and the Company assumes that sufficient positive taxable profits will be available in the foreseeable future to set off against them. Even considering further uncertainty regarding the war in Ukraine, the Company still considers this overall assessment to be accurate. Tax loss carry-forwards are not subject to any restrictions regarding the period of time in which they can be used in Germany.

ASSETS CLASSIFIED AS HELD FOR SALE

Assets held for sale and corresponding liabilities
in €m

	30/09/2022	31/12/2021	30/09/2021
Assets			
Aircraft and reserve engines	210	216	89
Land and buildings	11	9	–
Financial assets	–	11	–
Other assets	–	34	12
	221	**270**	**101**
Liabilities			
Pension provisions	–	6	1
Other provisions	–	21	9
Borrowings	–	1	1
Other Liabilities	–	35	16
	–	**63**	**27**

Assets with a carrying amount of EUR 221m were held for sale as of 30 September 2022. This item included four Airbus A380 aircraft held for sale with a carrying amount of EUR 210m. Land and buildings consisted of buildings owned by Lufthansa Aviation Training Germany GmbH and LSG Sky Chefs South Africa (Proprietary) Ltd.

PENSION PROVISIONS

The discount rate used to calculate obligations in Germany was 3.8%. As of 31 December 2021, the rate was 1.3%. A discount rate of 2.4% was used for the pension obligations in Switzerland (31 December 2021: 0.3%). The decline in pension provisions stemmed largely from the increase in the discount rate. This was offset by losses in the market value of plan assets.

TRADE PAYABLES

As of the reporting date, trade payables included EUR 309m (previous year: EUR 16m) that suppliers had sold to the platform operator as part of the supply chain finance programme. Please see ↗ Note 41 in the 2021 consolidated financial statements for further details of the programme (Annual Report 2021, p. 217).

CASH FLOW FROM OPERATING ACTIVITIES

All payments in connection with pension commitments are recognised in cash flow from operating activities as of 2022. Contributions to and returns from plan assets were previously shown in cash flow from investing activities, whereas pension payments were presented in cash flow from operating activities. This was intended to avoid the reduction of cash flow from operating activities by contributions to plan assets for pension commitments made in the past. Since regular withdrawals from plan assets are planned for pension payments in the future, the resulting effects will be aggregated under cash flow from operating activities. The cash flow statement for the previous year was adjusted accordingly. This adjustment resulted in an increase of cash flow from operating activities by EUR 53m in the previous year, whereas cash flow from investing and cash management activities decreased by the same amount.

4 Seasonality

The Group's business is mainly exposed to seasonal effects via the Passenger Airlines business segment. As such, revenue in the first and fourth quarters is generally lower, since people travel less, while higher revenue and operating profits are normally earned in the second and third quarters. These seasonal effects are currently being partially eclipsed by the easing of pandemic-related travel restrictions.

5 Contingencies and events after the reporting period

CONTINGENT LIABILITIES

in €m	30/09/2022	31/12/2021
From guarantees, bills of exchange and cheque guarantees	1,228	1,063
From warranty contracts	268	204
From providing collateral for third-parties liabilities	4	6
	1,500	1,273

Provisions for other contingent liabilities were not made because it was not sufficiently probable that they would be necessary. The potential financial effect of these provisions on the result would have been EUR 73m in total (as of 31 December 2021: EUR 74m).

As well as information and auditing rights for the Economic Stabilisation Fund, the framework agreement with the Economic Stabilisation Fund provided for extensive obligations for the Lufthansa Group including the suspension of dividend payments, a commitment not to make equity investments and a ban on cross-subsidising companies which were already in difficulty within the meaning of EU Regulation No. 651/2014 on 31 December 2019. In respect of the above-mentioned obligations, risks may arise due to a difference of interpretation between the Company and the European Commission. The Lufthansa Group and the European Commission are continuing to exchange information (including relevant documents) in order to fully clarify these matters. However, at the present time it is impossible to reliably predict the outcome of these discussions. It therefore cannot be ruled out that additional significant financial risks for the Company might arise beyond the risk provisions recognised in the consolidated financial statements for 2021 due to ultimately determined violations of agreed obligations.

As of 30 September 2022, the tax risks for which no provisions had been recognised came to around EUR 450m (as of 31 December 2021: EUR 200m). The increase in the risk position in the third quarter results from an oral statement made by the tax authorities in the course of the current tax inspection, questioning the taxation of certain foreign income in accordance with the German Foreign Tax Act (AStG). The Company nonetheless still believes that the previous tax treatment is correct.

At the end of September 2022, there were order commitments of EUR 17.8bn for capital expenditure on property, plant and equipment, including repairable spare parts, and for intangible assets. As of 31 December 2021, the order commitments came to EUR 14.6bn. This change mainly resulted from the order of seven B789s and seven B777-8Fs as well as the foreign currency translation of orders placed in US dollars. This was offset by down payments and final payments for existing orders.

EVENTS AFTER THE REPORTING PERIOD

Following a call by the Vereinigung Cockpit pilots' union, the pilots at Eurowings Germany held a one-day strike on 6 October 2022 and a three-day strike from 17 October to 19 October 2022 in support of their demand for more days off, stricter limits on working hours and longer rest periods, among other things. The strike meant that only around 50% of the daily flights could take place as planned.

SWISS and the Aeropers pilots' union agreed on the outline of a new collective agreement on 24 October 2022. It includes, among other things, improvements in the areas of social life planning and remuneration. The new collective agreement still requires the approval of Aeropers members.

6 Financial instruments and financial liabilities

FINANCIAL INSTRUMENTS

The following tables show financial assets and liabilities held at fair value by level in the fair value hierarchy. The levels are defined as follows:

Level 1: Financial instruments traded on active markets, the quoted prices for which are taken for measurement unchanged.

Level 2: Measurement is made by means of valuation methods with parameters derived directly or indirectly from observable market data.

Level 3: Measurement is made by means of valuation methods with parameters not based exclusively on observable market data.

As of 30 September 2022, the breakdown of financial assets and liabilities recognised at fair value by measurement category was as follows:

FAIR VALUE HIERARCHY OF ASSETS AS OF 30/09/2022

in €m	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss	**6,152**	**116**	**26**	**6,294**
Financial derivatives classified as held for trading	–	94	–	94
Securities	6,152	22	–	6,174
Investments	–	–	26	26
Derivative financial instruments which are an effective part of a hedging relationship	**–**	**3,570**	**–**	**3,570**
Financial assets at fair value through other comprehensive income	**13**	**1,088**	**–**	**1,101**
Equity instruments	13	12	–	25
Debt instruments	–	1,076	–	1,076
Total assets	**6,165**	**4,774**	**26**	**10,965**

FAIR VALUE HIERARCHY OF LIABILITIES AS OF 30/09/2022

in €m	Level 1	Level 2	Level 2	Total
Financial liabilities at fair value through profit or loss	–	-548	–	-548
Derivative financial instruments at fair value through profit or loss	–	-2	–	-2
Derivative financial instruments which are an effective part of a hedging relationship	–	-1,295	–	-1,295
Total liabilities	**–**	**-1,845**	**–**	**-1,845**

In the case of the Level 3 equity investments, the acquisition costs are considered the best estimate of fair value for reasons of materiality.

Crack spreads were hedged by means of forward transactions to a limited extent in the financial year. The volume is 38% of the exposure for the next 12 months.

In the financial year, additional CO2 emissions certificates valued at EUR 85m were sold and simultaneously repurchased on the market in what are known as “repo” agreements so that economic ownership of the certificates is maintained. In addition, EUR 27m were repaid on the expiry of the corresponding repo agreements and ongoing repo agreements were repurchased ahead of schedule for EUR 100m. The volume of repo agreements as of 30 September was EUR 132m.

As of 31 December 2021, the breakdown of financial assets and liabilities recognised at fair value by measurement category was as follows:

FAIR VALUE HIERARCHY OF ASSETS AS OF 31/12/2021

in €m	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss	**4,201**	**12**	**24**	**4,237**
Financial derivatives classified as held for trading	–	12	–	12
Securities	4,201	–	–	4,201
Investments	–	–	24	24
Derivative financial instruments which are an effective part of a hedging relationship	**–**	**1,424**	**–**	**1,424**
Financial assets at fair value through other comprehensive income	**13**	**1,170**	**–**	**1,183**
Equity instruments	13	12	–	25
Debt instruments	–	1,158	–	1,158
Total assets	**4,214**	**2,606**	**24**	**6,844**

FAIR VALUE HIERARCHY OF LIABILITIES AS OF 31/12/2021

in €m	Level 1	Level 2	Level 2	Total
Financial liabilities at fair value through profit or loss	–	-647	–	-647
Derivative financial instruments at fair value through profit or loss	–	-29	–	-29
Derivative financial instruments which are an effective part of a hedging relationship	–	-508	–	-508
Total liabilities	**–**	**-1,184**	**–**	**-1,184**

The fair values of interest rate derivatives correspond to their respective market values, which are measured using appropriate mathematical methods, such as discounting expected future cash flows. Discounting takes market standard interest rates and the residual term of the respective instruments into account. Forward currency transactions and swaps are individually discounted to the reporting date based on their respective futures rates and the appropriate interest rate curve. The market prices of currency options and the options used to hedge fuel prices are determined using acknowledged option pricing models.

The fair values of debt instruments also correspond to their respective market values, which are measured using appropriate mathematical methods, such as discounting expected future cash flows. Discounting takes market standard interest rates and the residual term of the respective instruments into account.

The carrying amount for cash, trade receivables, other receivables, trade payables and other liabilities is assumed to be a realistic estimate of fair value.

FINANCIAL LIABILITIES

The following table shows the carrying amounts and fair values of the individual classes of financial debt. For bonds, the fair values correspond to the stock market quotations. The fair values for the other financial debt were determined on the basis of the interest rates applicable at the balance sheet date for the corresponding residual terms/redemption structures using accessible market information (Bloomberg).

For information on the loan funds received as part of the government stabilisation measures, see the comments in Note 2.

FINANCIAL LIABILITIES

	30/09/2022		31/12/2021	
in €m	Carrying amount	Market value	Carrying amount	Market value
Bonds	6,583	5,740	6,697	6,719
Commercial Paper	–	–	–	–
Borrower's note loans	1,264	1,235	1,626	1,803
Credit lines	–	–	–	–
State-guaranteed loans	501	460	1,082	1,072
Aircraft financing	4,802	4,655	4,464	4,586
Other borrowings	164	353	431	521
Leasing liabilities	2,566	–	2,370	–
Total	15,880	12,443	16,670	14,701

7 Earnings per share

EARNINGS PER SHARE

		30/09/2022	30/09/2021
Basic/diluted earnings per share	€	0.40	– 3.17
Consolidated net profit/loss	€m	484	– 1,877
Weighted average number of shares		1,195,485,644	597,742,822

8 Issued capital

SHARE CAPITAL

Deutsche Lufthansa AG's issued capital totals EUR 3,060,443,248.64. It is divided into 1,195,485,644 registered shares with transfer restrictions, with each share representing EUR 2.56 of issued capital.

AUTHORISED CAPITAL

A resolution passed at the Annual General Meeting on 10 May 2022 authorised the Executive Board until 9 May 2025, subject to approval by the Supervisory Board, to increase the Company's issued capital by up to EUR 1,000,000,000 by issuing new registered shares on one or more occasions for payment in cash or in kind (Authorised Capital A). In certain cases, the shareholders' subscription rights can be excluded with the approval of the Supervisory Board.

A resolution passed at the Annual General Meeting on 7 May 2019 authorised the Executive Board until 6 May 2024, subject to approval by the Supervisory Board, to increase the issued capital by EUR 30,000,000 by issuing new registered shares to employees (Authorised Capital B) for payment in cash. Existing shareholders' subscription rights are excluded. As of 30 September 2022, the issued capital was increased under this authorisation by a total of EUR 7,637,831.68, so that Authorised Capital B still amounted to EUR 22,362,168.32 as of the reporting date.

The Executive Board is authorised, in the event of the fulfilment of the requirements stipulated in Section 4 Paragraph 3 of the German Aviation Compliance Documentation Act (LuftNaSiG) and with the consent of the Supervisory Board, to increase the issued capital by up to 10% by issuing new shares in return for payment in cash and without subscription rights for existing shareholders. The issue price for the new shares must be determined subject to the agreement of the Supervisory Board and may not be significantly lower than the market price. The authorisation may only be made use of insofar as this is necessary in order to achieve the non-applicability of the conditions stipulated in Section 4 Paragraph 3 LuftNaSiG.

The Executive Board is authorised, according to Section 5 Paragraph 2 LuftNaSiG and subject to the approval of the Supervisory Board, to require shareholders to sell some or all of their shares and to provide the Company with proof of this sale without delay insofar as this is necessary for compliance with the requirements for the maintenance of air traffic rights and in the sequence prescribed in Section 5 Paragraph 3 LuftNaSiG, subject to an appropriate time limit and while indicating the legal consequence which would otherwise be possible of the loss of their shares in accordance with Section 5 Paragraph 7 LuftNaSiG.

CONTINGENT CAPITAL

A resolution of the Annual General Meeting on 5 May 2020 increased the Company's contingent capital by up to EUR 122,417,728. The contingent capital increase serves to provide shares to the holders or creditors of conversion and/or option rights from convertible bonds that may be issued by the Company or its Group companies until 4 May 2025. In certain cases, the shareholders' subscription rights can be excluded with the approval of the Supervisory Board.

On 10 May 2022, the Annual General Meeting increased the Company's contingent capital by up to EUR 306,044,326.40. The contingent capital increase serves to provide shares to the holders or creditors of conversion and/or option rights from convertible bonds that may be issued by the Company or its Group companies until 9 May 2027. In certain cases, the shareholders' subscription rights can be excluded with the approval of the Supervisory Board.

AUTHORISATION TO PURCHASE TREASURY SHARES

A resolution passed at the Annual General Meeting held on 7 May 2019 authorised the Executive Board pursuant to Section 71 Paragraph 1 No. 8 of the German Stock Corporation Act (AktG) to purchase treasury shares until 6 May 2024. The authorisation is limited to 10% of current issued capital, which can be purchased on the stock exchange or by a public purchase offer to all shareholders. The authorisation states that the Executive Board can use the shares, in particular, for the purposes defined in the resolution passed at the Annual General Meeting. According to the resolution of the Annual General Meeting held on 7 May 2019, the Executive Board is also authorised to purchase treasury shares by means of derivatives and to conclude corresponding derivative transactions.

9 Segment reporting

Segmentation has been changed compared with the financial statements as of 31 December 2021. The Eurowings business segment no longer reports separately as of 1 January 2022, but as part of the Passenger Airlines segment. This is due to the alignment of the business models whereby all Passenger Airlines are now managed centrally by the Executive Board of the Lufthansa Group.

The Adjusted EBIT performance indicator has also been changed in the financial reporting. In addition to the existing reconciliation items from EBIT to Adjusted EBIT (impairment losses/write-ups, results from disposals, effects of changes to pension plans), as of this financial year, expenses for staff-related restructuring activities, material extraordinary legal expenses not incurred in the normal course of business, material costs in connection with company transactions, and material other expenses due to extraordinary external events are not included in the performance indicator of operating success. This change was made to ensure greater comparability with the reporting of other companies in the industry and to increase the transparency of non-recurring items. In the current financial year, the expenses for valuation allowances, depreciation and amortisation and impending compensation payments that were directly caused by the war in Ukraine were treated as key issues that were excluded from the Adjusted EBIT calculation. The comparable figures for the previous year were adjusted accordingly (relevant in 2021: restructuring costs).

SEGMENT INFORMATION FOR THE REPORTING SEGMENTS Jan - Sep 2022

in €m	Passenger Airlines	Logistics	MRO	Catering	Total reportable operating segments	Additional Businesses and Group Functions	Reconciliation	Group
External revenue	15,767	3,534	2,920	1,373	23,594	299	–	23,893
of which traffic revenue	14,899	3,426	–	–	18,325	–	566	18,891
Inter-segment revenue	683	33	1,093	42	1,851	166	-2,017	–
Total revenue	**16,450**	**3,567**	**4,013**	**1,415**	**25,445**	**465**	**-2,017**	**23,893**
Other operating income	695	71	262	30	1,058	1,454	-879	1,633
Operating income	**17,145**	**3,638**	**4,275**	**1,445**	**26,503**	**1,919**	**-2,896**	**25,526**
Operating expenses	**17,652**	**2,346**	**3,838**	**1,447**	**25,283**	**2,138**	**-2,828**	**24,593**
of which cost of materials	10,580	1,723	2,166	569	15,038	189	-1,597	13,630
of which staff cost	3,378	307	1,013	620	5,318	579	-3	5,894
of which depreciation and amortisation	1,323	125	133	58	1,639	87	-24	1,702
of which other operating expenses	2,371	191	526	200	3,288	1,283	-1,204	3,367
Operating result of equity investments	**16**	**16**	**-40**	**-5**	**-13**	**15**	**-1**	**1**
of which result of investments accounted for using the equity method	25	2	-44	-6	-23	–	1	-22
Adjusted EBIT[1]	**-491**	**1,308**	**397**	**-7**	**1,207**	**-204**	**-69**	**934**
Reconciliation items	**20**	**-22**	**-60**	**-21**	**-83**	**-22**	**-3**	**-108**
Impairment losses/gains	-27	–	-14	-16	-57	2	1	-54
Effects from pension provisions & restructuring	56	-17	5	-1	43	-4	1	40
Result of disposal of assets	-3	-1	21	-2	15	12	-5	22
Other reconciliation items	-6	-4	-72	-2	-84	-32	–	-116
EBIT	**-471**	**1,286**	**337**	**-28**	**1,124**	**-226**	**-72**	**826**
Other financial result								-82
Profit/loss before income taxes								744
Capital employed[2]	8,259	2,513	4,400	860	16,032	7,865	-165	23,732
of which from investments accounted for using the equity method	124	41	193	49	407	–	1	408
Segment capital expenditure	1,525	233	59	21	1,838	30	-27	1,841
of which from investments accounted for using the equity method	–	–	20	–	20	–	–	20
Number of employees at the end of period	56,008	4,087	20,233	19,707	100,035	7,935	–	107,970

[1] For detailed reconciliation from EBIT to Adjusted EBIT ↗ table "reconciliation of results", p. 6, in the interim management report.
[2] The capital employed results from total assets adjusted for non-operating items, (deferred taxes, positive market values, derivatives) less non-interest bearing liabilities (including trade payables and liabilities from unused flight documents).

SEGMENT INFORMATION FOR THE REPORTING SEGMENTS Jan - Sep 2021[4)]

in €m	Passenger Airlines[3)]	Logistics	MRO	Catering	Total reportable operating segments	Additional Businesses and Group Functions	Reconciliation	Group
External revenue	5,330	2,522	2,156	747	10,755	223	–	10,978
of which traffic revenue	4,718	2,429	–	–	7,147	–	403	7,550
Inter-segment revenue	434	20	590	19	1,063	112	-1,175	–
Total revenue	**5,764**	**2,542**	**2,746**	**766**	**11,818**	**335**	**-1,175**	**10,978**
Other operating income	414	45	256	213	928	966	-808	1,086
Operating income	**6,178**	**2,587**	**3,002**	**979**	**12,746**	**1,301**	**-1,983**	**12,064**
Operating expenses	**8,940**	**1,661**	**2,704**	**913**	**14,218**	**1,471**	**-2,004**	**13,685**
of which cost of materials	3,924	1,147	1,417	277	6,765	137	-1,072	5,830
of which staff cost	2,262	273	787	446	3,768	433	-1	4,200
of which depreciation and amortisation	1,325	107	133	60	1,625	86	-27	1,684
of which other operating expenses	1,429	134	367	130	2,060	815	-904	1,971
Operating result of equity investments	**4**	**17**	**-14**	**-12**	**-5**	**2**	**–**	**-3**
of which result of investments accounted for using the equity method	7	12	-16	-12	-9	–	-1	-10
Adjusted EBIT[1)]	**-2,758**	**943**	**284**	**54**	**-1,477**	**-168**	**21**	**-1,624**
Reconciliation items	**-264**	**3**	**-161**	**-25**	**-447**	**-51**	**-1**	**-499**
Impairment losses/gains	16	–	-38	-1	-23	-13	1	-35
Effects from pension provisions & restructuring	-289	-1	-121	-2	-413	-38	-1	-452
Result of disposal of assets	9	4	-2	-22	-11	–	-1	-12
Other reconciliation items	–	–	–	–	–	–	–	–
EBIT	**-3,022**	**946**	**123**	**29**	**-1,924**	**-219**	**20**	**-2,123**
Other financial result								-195
Profit/loss before income taxes								-2,318
Capital employed[2)]	11,421	2,362	3,453	932	18,168	5,240	-155	23,253
of which from investments accounted for using the equity method	103	65	180	77	425	–	1	426
Segment capital expenditure	756	147	56	12	971	29	-18	982
of which from investments accounted for using the equity method	–	–	12	–	12	–	–	12
Number of employees at the end of period	57,701	4,201	21,107	15,637	98,646	8,038	–	106,684

1) For detailed reconciliation from EBIT to Adjusted EBIT ↗ table "reconciliation of results", p. 6, in the interim management report.
2) The capital employed results from total assets adjusted for non-operating items (deferred taxes, positive market values, derivatives), less non-interest bearing liabilities (including trade payables and liabilities from unused flight documents).
3) restated.
4) Prior-year figures adjusted due to changes in the definition of key performance indicators in the Notes, p. 34.

EXTERNAL REVENUE BY REGION Jan - Sep 2022

	2022			2021		
in €m	Traffic revenue[1]	Other operating revenue	Total revenue	Traffic revenue[1]	Other operating revenue	Total revenue
Europe	12,578	1,800	14,378	4,808	1,335	6,143
thereof Germany	5,665	711	6,376	2,239	540	2,779
North America	3,228	2,100	5,328	1,079	1,300	2,379
thereof USA	2,848	1,878	4,726	991	1,166	2,157
Central and South America	473	179	652	177	110	287
Asia/Pacific	1,878	649	2,527	1,156	474	1,630
Middle East	381	205	586	153	135	288
Africa	353	69	422	177	74	251
Total	18,891	5,002	23,893	7,550	3,428	10,978

[1] Allocated according to the original location of sale.

10 Related party disclosures

As stated in ↗ Note 50 to the 2021 consolidated financial statements (Annual Report 2021, p. 245ff.), the segments in the Lufthansa Group render numerous services to related parties within the scope of their ordinary business activities and also receive services from them. These extensive supply and service relationships take place unchanged on the basis of market prices. There have been no significant changes in comparison with the reporting date. The contractual relationships with the group of related parties described in the ↗ Remuneration Report 2021 (Annual Report 2021, p. 271 ff.) and in the consolidated financial statements 2021 in ↗ Note 51 (Annual Report 2021, p. 248) also still exist unchanged, but are not of material significance for the Group.

11 Published standards that have not yet been applied

Amendments of accounting standards which have been approved by the IASB as of the date of publication of this report and are applicable for financial years beginning after 1 January 2022 have no effect on the presentation of the net assets, financial and earnings position. Further information on the amendments resolved as of the preparation of the interim financial statements is provided in ↗ Note 3 to the 2021 consolidated financial statements (Annual Report 2021, p. 162 ff.).

Declaration by the legal representatives

We declare that to the best of our knowledge and according to the applicable accounting standards for interim reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Frankfurt, 25 October 2022

Executive Board

Carsten Spohr
Chief Executive Officer

Christina Foerster
Member of the Executive Board
Brand & Sustainability

Harry Hohmeister
Member of the Executive Board
Global Markets & Network

Detlef Kayser
Member of the Executive Board
Fleet & Technology

Michael Niggemann
Member of the Executive Board
Chief Officer Human Resources & Infrastructure

Remco Steenbergen
Member of the Executive Board
Chief Financial Officer

Credits

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Deutsche Lufthansa AG
Venloer Str. 151 – 153
50672 Cologne
Germany

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Editorial staff
Dennis Weber (Editor)
Patrick Winter
Malte Happel

Contact

Dennis Weber
+ 49 69 696 – 28008

Svenja Lang
+ 49 69 696 – 28025

Deutsche Lufthansa AG
Investor Relations
LAC, Airportring
60546 Frankfurt/Main
Germany
Phone: + 49 69 696 – 28008
E-Mail: investor.relations@dlh.de

The Lufthansa 3rd Interim Report is a translation of the original German Lufthansa Zwischenbericht 3/2022. Please note that only the German version is legally binding.

The latest financial information on the internet:
↗ www.lufthansagroup.com/investor-relations

Financial calendar 2023

2023

3 March	Release of Annual Report 2022
3 May	Release of 1st Interim Report January – March 2023
9 May	Annual General Meeting 2023
3 August	Release of 2nd Interim Report January – June 2023
2 November	Release of 3rd Interim Report January – September 2023

Note
Unless stated otherwise, all change figures refer to the corresponding period from the previous year. Due to rounding, some of the figures may not add up precisely to the stated totals, and percentages may not precisely reflect the absolute figures.