

Air France-KLM, in loss, expects worse in fourth quarter



I Letter from the Director Air France-KLM

François Robardet Representative of employee and former employee shareholders PS and PNC

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Monday's Press Review

> Air France-KLM, in loss, expects worse in the fourth quarter

(source Reuters) October 30 - - **Air France-KLM reported Friday an operating loss of 1.05 billion euros in the third quarter and warned that the situation would deteriorate further** as the second wave of the epidemic due to the new coronavirus causes the return of travel restrictions in Europe, until reconfinement in France.

The Franco-Dutch group, hit like the entire air transport sector by the global health crisis, saw its quarterly turnover fall by 67% to 2.524 billion euros (...).

At the end of September, Air France-KLM had 12.4 billion euros in liquid assets or credit lines, mainly thanks to aid provided by the French and Dutch governments to prevent it from going bankrupt.

However, its net debt increased by 1.34 billion euros over the quarter to 9.31 billion euros. This cash consumption will accelerate with the decline in air traffic," said Chief Financial Officer Frédéric Gagey.

Air France is expected to operate at less than 35% of its capacity from the same period last year in the fourth quarter while KLM's program is only "slightly" better, he added.

And the negative operating cash flow of €1.22 billion in the third quarter would have been €582 million higher if the group had not benefited from delays in payments from suppliers and tax authorities, which will now start to ease.

Nevertheless, the operating loss was less than analysts expected, who expected it to be 1.24 billion euros on sales of 2.79 billion euros, according to a consensus provided by the group.

Earnings before interest, taxes, depreciation and amortization (Ebitda) were negative at 442 million euros and will still be "significantly lower" in the fourth quarter, Air France-KLM said.

A restructuring provision of 565 million euros helped to inflate its net loss to 1.67 billion euros .

***My comment:** The results of the Air France-KLM group are less bad than those of its European competitors. The IAG Group and the Lufthansa Group posted an operating loss of 1.3 billion euros, compared with a loss of 1 billion euros for the Franco-Dutch group.*

There are several explanations for this difference in results. Air France-KLM has a less exposed network on the North Atlantic, where business traffic is most important. In addition, it has been able to serve the DOM-TOM, which are little affected by travel restrictions

Its long-haul fleet is better equipped than that of IAG or Lufthansa in B777-300 and A350 aircraft, which have large holds. The Air France-KLM group was able to increase its Cargo activity compared to 2019. Cargo revenue accounted for almost 50% of revenues in the third quarter.

Finally, the numerous voluntary departures at Air France and KLM have enabled a rapid reduction in payroll.

> Frédéric Gagey: "Air France-KLM will be smaller and more concentrated".

(source L'Agefi) 2 November - Air France-KLM will have to adapt to the consequences of this unprecedented crisis. In an interview with L'Agefi-Dow Jones, **Frédéric Gagey**, Executive Vice President in charge of Finance, **explains that the group will be "smaller and more concentrated" over the next two to four years.** He also said that Air France-KLM will necessarily have to find a solution to strengthen its equity capital, given the significant losses expected for the financial year 2020.

L'Agefi-Dow Jones: Containment is in force since this Friday in France. What impact will it have on Air France-KLM?

Frédéric Gagey : The impact of strict confinement has been taken into account in our forecast of passenger transport capacity **for Air France in the fourth quarter. We forecast that this capacity will be less**

than 35% compared to that of the same period in 2019. In comparison, KLM's capacity will be around 45%. This difference is partly due to the fact that containment measures are less stringent in the Netherlands than in France. In any case, the **fourth quarter will be much more difficult for the group than the third quarter**, with a significantly lower gross operating result (EBITDA).

Ebitda in the third quarter was -442 million euro. How did you limit the impact of the fall in traffic on this result?

We lost 5 billion euros in revenues compared with the third quarter of 2019, or 70% of our revenues. This drop reflects the return of restrictions in Europe from the end of the summer, as well as the lack of standardization of health regulations in the different countries. All this has discouraged passengers from flying. **Business travel, in particular, hardly resumed in September.**

Nevertheless, we were able to limit the impact of this decline in revenues on our Ebitda to only 2 billion euros. If I had been told before the crisis that we would lose 5 billion euros in revenues over a quarter, I would have imagined a much more significant drop in Ebitda! **We have benefited from State support measures, such as the financing of short-time working in France and an equivalent system in the Netherlands, called "Now".** But we have also managed to increase the variability of our costs. In addition to the "automatic" part related to the drop in traffic - oil expenses or commercial royalties - we have endeavored to reduce costs not directly related to the activity, for example by reducing our workforce or canceling certain projects.

Beyond the emergency measures it imposes, will this crisis change your business model?

Over the next two to four years, Air France-KLM will be smaller and more concentrated. Especially since major changes in the sector were already underway before the crisis. For example, in recent years, airlines have begun to reduce the number of very large aircraft, such as the A380 or 747, in their fleets. The question today is whether this trend should be amplified. **The decline in business travel also leads us to reflect on cabin layouts and the distribution of seats between 'premium' and 'economy' categories. We are giving ourselves maximum flexibility.**

However, a world without travel is not an option. Air traffic will one day return to pre-crisis levels. We are already thinking about the future pace of our capacity growth, which will also be linked to the way our customers rethink their travels. These are many questions to which we will have to find answers in the post-crisis period.

How long can Air France-KLM hold out without recapitalization?

With 12.4 billion euros in cash or credit lines at the end of September, we have a slightly higher level of cash than our two

major European competitors, Lufthansa and IAG. This amount allows us to hold out for a significant period of time, which will depend on the extent of the crisis.

Unlike Lufthansa and IAG, the very significant aid plans granted by the French and Dutch governments to the Air France-KLM group [of 10.4 billion euros, editor's note] did not include an equity component, but only debt. Sooner or later, we will have to find a solution to strengthen our equity. In view of the significant losses expected for the financial year 2020, this will be necessary.

How could you strengthen your equity? Are your major shareholders, the French and Dutch states, as well as Delta Airlines and China Eastern, aligned?

There are many possibilities, with dilutive or non-dilutive instruments, optional or not. The transaction could have different facets. We are discussing this subject with our shareholders, who share the idea of a necessary strengthening of our capital base. Ultimately, once the Board of Directors has defined the terms of the plan, it will be up to them to approve it.

My comment: *The recapitalization of the Air France-KLM group is now a virtual certainty.*

When will it happen? Not before the conditions for Dutch government support are met (see the two articles below).

How? The Chief Financial Officer was as clear as possible, given the constraints imposed by the stock exchange gendarme.

Several solutions are being studied, most of which have already been implemented earlier this year in other airlines (Lufthansa, SAS, Alitalia, Norwegian, Singapore Airlines, TAP).

> Dutch Reject KLM Cost-Cutting Plan Linked to Government Bailout

(source Bloomberg, translated with DeepL) Oct. 31 - **The Dutch government will not grant a second tranche of state aid because the pilots' union VNV rejected a pay cut**, Finance Minister Wopke Hoekstra and Infrastructure and Water Management Minister Cora van Nieuwenhuizen wrote in a letter to Parliament on Saturday. (...)

The Dutch government has linked the support plan to measures by KLM to improve profitability and competitiveness, including wage cuts. **All unions have agreed to a wage cut, except the pilot union**, KLM said earlier Saturday.

The decision sends KLM back to the drawing board if it wants to receive more cash. It also **comes at a sensitive time for Air France-KLM as a whole, whose two largest shareholders**, France and the Netherlands, are **preparing for critical discussions on strengthening the company's weakened finances**.

The Dutch Minister of Finance has insisted on reducing KLM's structural costs, which he considered too high even before the health crisis erupted. Management had reached an agreement with the Dutch pilots' union VNV to reduce an annual bonus and future salary increases until March 2022, but the agreement angered cabin crew unions as pilots also demanded more benefits on business class flights.

KLM has already drawn a total of 942 million euros from the government and banks. Hoekstra told Parliament last month that the government would not make a second tranche available until it was satisfied with the cost-cutting plan.

The French were quicker to obtain a 7 billion euro rescue package for Air France, which also had certain conditions attached. (...)

> **KLM pilots ready to discuss wage freeze**

(source Reuters) November 2 - **Pilots of KLM, the Dutch branch of the Air France-KLM group, said Monday they were ready to discuss the wage freeze demanded by the Dutch state in exchange for its aid plan**, which was suspended on Saturday for lack of agreement.

KLM is supposed to benefit from aid totalling 3.4 billion euros, including one billion in the form of direct loans from the state, to enable it to get through the coronavirus crisis. The VNV union of the Dutch company's pilots however rejected Saturday the request for a five-year wage freeze made by Amsterdam, recalling that it had already agreed to a freeze until at least March 2022.

"We want to discuss with KLM and the Ministry of Finance to find a solution as soon as possible," Willem Schmid, president of the VNV pilots' union, told Dutch radio BNR on Monday.

KLM did not make any immediate comment on these statements. For its part, the Dutch Ministry of Finance said it would only address the airline's board of directors.

KLM's works council, for its part, urged all parties to reach an agreement. "We simply cannot let this issue jeopardize the future of the company," its president, Dario Fucci, told Reuters. "This is not an acceptable solution for either the unions, the company or the government," he insisted.

The majority of unions representing ground and aircrew personnel have

agreed to extend the wage freeze until 2025.

My comment: *At the beginning of October, trade unions and KLM management had reached agreements in principle on the reduction of remuneration. They were for different lengths of time, 18 months for pilots and 24 months for other categories of staff.*

Faced with the worsening health crisis, the Dutch finance minister imposed that the duration of the agreements be identical to the duration of the loans, i.e. five years.

As

early as Saturday, the ground staff unions accepted this constraint. The FNV, the cabin crew union, did the same on Monday, November 2.

The pilots' union (the VNV) and KLM management now have until November 4 to reach an agreement.

> **Transavia replaces Air France on the domestic network**

(source Air Journal) November 2 - The airline company **Transavia France inaugurated this morning its new route between Paris-Orly and Biarritz, and those linking Nantes to Marseille, Toulouse and Nice** after the last flights operated on Sunday by its parent company Air France. The latter indicated yesterday that its own domestic flight schedule was updated until November 5, following the general reconfinement in the hexagon.

Two rotations are posted this November 2, 2020 by the specialist of cheap flights between its base in Paris-Orly and the airport of Biarritz-Pays Basque, only one being planned for the following days.

Transavia's Boeing 737-800s will therefore replace its parent company's A320s, as announced in September with the arrival of low-cost flights on domestic French routes - as part of the 40% reduction in activity at its regional subsidiary HOP. **The route between CDG and Biarritz continues to be offered by Air France.**

From its other base in Nantes-Atlantique, only three of Transavia's four new routes are inaugurated this Monday, to Marseille, Toulouse and Nice, with only one rotation displayed in green; flights to Montpellier are all cancelled. According to the site of the airport, the low-cost should also fly this Monday to Faro and Marrakech (...).

Customers whose flights are canceled are contacted individually, says the company (...). Customers can postpone their trip free of charge, or

cancel it and get a credit note or a refund.

My comment: *The reconfinement that is taking place in most European countries will temporarily limit the activity of Transavia and its competitors.*

> Delta Airlines reaches agreement with its pilots to avoid layoffs until 2022

(source Le Journal de l'Aviation with AFP) October 30 - **Delta Airlines has reached an agreement with the union representing its 13,000 pilots in order to avoid layoffs until 2022 (...)**

"It contains several elements improving the quality of life while allowing Delta to generate savings, which the company needs to avoid layoffs, one of our main objectives since the beginning," he explained.

More than 40,000 company employees have opted for voluntary departure plans, early retirement and unpaid leave, which has enabled Delta to avoid having to resort to layoffs.

According to the pilots' union, the agreement provides, among other things, for Delta to reduce spending on aircraft drivers by 5% per month. In addition to quality of life measures, in exchange, pilots benefit from a favorable change in their retirement savings contributions.

The agreement will lapse, however, if the U.S. government ends up approving new financial support for the airline industry, the union told AFP (...).

> IAG Group in the red in the third quarter due to the drop in air traffic

(source Le Journal de l'Aviation with AFP) October 30 - **The IAG airline group**, owner of British Airways and Iberia, **announced** Friday a **net loss of 1.76 billion euros in the third quarter due to the** collapse of traffic resulting from travel restrictions in Europe to curb the spread of the Covid-19 pandemic.

IAG, which had already warned that it would be in the red this quarter and that the end of the year would be difficult, **now totals 5.6 billion euros in losses since the beginning of the year**, according to a press release (...). Revenues at

IAG, which also owns Aer Lingus, Vueling and the low-cost carrier Level, plunged 82.9% in the quarter to 1.2 billion euros (...).

The group (...) had already warned last week, in unveiling the first elements of its results for the third quarter, that the end of the year would be penalized by the restrictions imposed to combat the second wave of the epidemic.

It **forecasts a maximum flight capacity of 30% in the fourth quarter** compared to its 2019 level, and no longer expects to break even in terms of cash flow over this period (...).

In order to overcome the crisis, IAG has implemented a profound restructuring including the already announced reduction of 13,000 positions at British Airways. In addition, the group was forced to strengthen its capital with a 2.7 billion euro share issue (...).

My comment: *The business outlook in Europe has been revised downwards.*

According to Eurocontrol forecasts, we will have to wait until July 2021 for activity to exceed 50% of 2019 activity.

> **Ryanair: historical losses and refusal to reimburse November flights**

(source: L'Écho touristique) November 2 - **Ryanair published Monday its results for the first half of its 2021 fiscal year** (April to September). The **group posted a loss of 197 million euros** compared with a profit of 1.15 billion euros a year earlier. Turnover, for its part, plunged by 78% to 1.18 billion euros, "because of the 80% drop in traffic," wrote the "low-cost" company Monday in a press release (...). The boss of the company, **Michael O'Leary, warned** during the BBC Today program: "If a flight is in service, then no, we will not offer a refund. But customers can take advantage of our flight change facility and we have eliminated the change fee. So if they booked in November, they can change their booking and move it to December or January if necessary. But **there will be no refunds for flights in service** and on the road" (...).

My comment: *Ryanair limits its losses. Its methods are well known: when flights are cancelled, the flight crew is not paid, customers are not refunded.*

> **Confinement in Great Britain: easyJet is looking for money**

(source Air Journal) November 2 - (...) All non-essential travel will be banned from November 5, 2020 in Great Britain, the government announced Saturday, a minister stressing that the end date of the containment on December 2 was only an indication that will evolve according to the situation (...).

For easyJet, which maintains a normal schedule until Wednesday evening, this would mean "hundreds of cancellations" especially at

London-Gatwick airport (...).

On the financial side, **the easyJet boss called for "urgent" support from the government to the airline sector, similar to that given to the hotel industry. He said** at the Brandenburg inauguration that he had refinancing options, like the sale and leaseback agreements for Airbus single-aisle aircraft announced last week, and added that he **was not "opposed" to the principle of state aid. "It is very clear that the crisis has reached such a level that you cannot expect the industry and its players to face it alone,"** Johan Lundgren explained (...).

***My comment:** EasyJet has already obtained a 680 million euro loan from the British government.*

> Airbus already doesn't burn cash anymore (unlike airlines)

(source La Tribune) October 29 - While the airlines (...) are burning 13 billion dollars of cash per month, Airbus has put an end to the cash hemorrhage. **After consuming 12.4 billion euros of cash in the first six months of the year**, mainly due to the collapse of civil aircraft deliveries, **the European defense aeronautics group managed to generate a positive cash flow of 600 million euros in the third quarter of the year** (July-September).

Achieved just a few months after the announcement of the plan to cut civil aircraft production by 40% in April, this performance is a major achievement given the size of the group and its organization. **It should make Boeing look good, as it still burned \$4.8 billion in cash in the third quarter. This performance is due to an increase in the number of aircraft** delivered. While deliveries in the first nine months of the year were down by about 40%, they were down only 20% in the third quarter compared with the same period last year, with 145 aircraft delivered, compared with 74 in the second quarter. Boeing delivered only 28 aircraft (...).

This positive development, together with the 30 billion euros in cash on hand, means that the group is well equipped to weather the continuing crisis. Despite the second wave and the first population re confinements, **Airbus still estimates that traffic will return to its pre-crisis level between 2023 and 2025, with a recovery that will primarily concern domestic flights, and therefore single-aisle aircraft such as the A320.** Above all, the aircraft manufacturer has maintained its position on a possible increase in production rates, from the current monthly production of 40 single-aisle aircraft to 47 as of the beginning of the third quarter of 2021 (July). Airbus has asked subcontractors to prepare for this scenario (...).

Another encouraging sign is that Airbus is also maintaining production rates for wide-body aircraft. While Boeing is considering lowering production rates for the B787 again, the European aircraft manufacturer is maintaining a production rate of five A350s per month and two for the A330 (...).

My comment: Aircraft deliveries are continuing for Airbus, ensuring business for the entire supply chain.

> Safran group shows resilience to the crisis in the third quarter

(source: Le Journal de l'Aviation) October 30 - **Safran clearly weathered the effects of the Covid-19 pandemic crisis on airline operations better than airlines** between July and September, and can now confirm its financial targets for the full year (35% revenue decline, 10% operating margin from recurring operations on revenue, and positive cash flow generation in the second half).

The various measures taken by the French aerospace group to lower the breakeven point of all its activities, all of which have been impacted by the crisis, have paid off, even though uncertainties still remain for the fourth quarter given the trend in air traffic.

Safran posted revenue of 3.382 billion euros in the third quarter, down 44.5% compared to the same period in 2019, but stable compared to the previous quarter (3.384 billion euros). Safran Aircraft Engines' civil engine business, which accounts for nearly half of the group's revenues, continued to suffer from the sharp decline in new engine deliveries (down 48.8% in the third quarter). The engine manufacturer is still counting on a total of 800 deliveries for LEAP engines this year (...).

But **all aftermarket services, which are particularly profitable in normal times for Safran, obviously continue to be hard hit by the drop in operator traffic around the world**, with the notable exception of China and its domestic network, which now stands at more than 95% of the pre-Covid period level. All sectors combined, after-sales activities recorded a 33.1% decline in revenues in the third quarter, representing 60.6% of the Group's sales. However, Philippe Petitcolin notes a clear upturn in services for the civil engine business, with sales down only 56.2% (-66% in the second quarter), again related to sales of spare parts for CFM56 engines during workshop visits .

The LEAP-1A (A320neo) engine fleet posted a relatively high level of activity during the quarter, given the operational advantages of flying the newest and most fuel-efficient aircraft during this period

compared to others. Weekly flight cycles for the LEAP fleet are down only 15% compared to the same period last year (...).

For services related to aircraft equipment, revenues are down 41.1% compared to the same period last year, representing 30.1% of sales in Q3 2020. This decline in services concerns in particular carbon brakes, landing gear, nacelles (mainly for the A320neo and A380) and, to a lesser extent, Aerosystems' activities. Finally, the Aircraft Interiors Segment's services business continued to be strongly impacted by the crisis among airlines, with a 64.9% drop in sales, whether for seats, cabin equipment (monument and galley inserts) or modification and MRO activities. This activity is logically very highly exposed to the situation of wide-body aircraft.

***My comment:** Despite the crisis, aircraft manufacturing has not stopped. In collaboration with General Electric, Safran supplies the LEAP engines that power single-aisle jets built by Airbus, Boeing and the Chinese manufacturer Comac.*

Safran was one of the first companies to negotiate a long-term partial business agreement. The agreement, signed by all the unions, serves as a basis for work in other companies in the aviation sector.

> **Boeing certifies new 3D printing material for its aircraft**

(source primante3d) October 30 - **The idea** was once suggested **that 3D printed parts might be of poorer quality than those manufactured in the traditional way, has since been largely dismantled by the aerospace industry and its stringent safety standards.**

While prototyping has long dominated the uses of 3D printing in this sector, there is now **a gradual shift towards the manufacture of end-use parts.** Proof of this is the 60,000 parts that have already been printed and used in flight by Boeing on 16 commercial and military aircraft models. Its latest addition, **the long-haul 777X, for example, has more than 300 parts printed in 3D in its engines.** (...)

) "Additive manufacturing has tremendous advantages in streamlining aerospace supply chains for both original equipment and MRO processes, but robust materials were needed to meet the demanding flight requirements. "

(...) While the Antero 800NA is the first Stratasys material to be certified by Boeing, this is of course not the first time an aircraft manufacturer has incorporated its thermoplastics. Already in 2014, Airbus qualified its ULTEM 9085, a material that meets flammability, smoke and toxicity

(FST) standards. Other sectors have since adopted it, such as the rail industry, where its properties are used to make tooling and many train components such as grab handles.

My comment: Airlines are closely following developments in the field of 3D printing.

They are particularly interested in the manufacturing of remote spare parts.

When a faulty part of an aircraft parked far from its base needs to be replaced, 3D printing would make it possible to avoid sending the part by plane and thus reduce the aircraft's downtime.

> "Historic" kick-off at Berlin-Brandt Airport

(source Air Journal) November 1 - It's been a long road, but **the new Willy-Brandt International Airport in Berlin-Brandenburg (BER) went into service yesterday, October 31, 2020, nine years late (...).** "With the Willy Brandt Airport in Berlin-Brandenburg, eastern Germany can now count on an airport infrastructure that will serve as a solid foundation for decades to come. The inhabitants of the German capital region have had to wait a long time for this day. Our customers, i.e. passengers and airlines, will find professional standards at BER: good accessibility by train and car, reliable and safe handling even under coronavirus conditions, optimal service on the ground and in the air (...)," said Engelbert Lütke Daldrup, CEO of Flughafen Berlin Brandenburg, the platform operator.

No big celebrations were planned because of the health situation but also because of the unbelievable black series that hit this great project resulting from German reunification: failures, faults, bankruptcies, suspicions of corruption, negligence, resignations, and a budget that exploded from 1.7 billion euros to 7 billion euros (...).

My comment: The old Berlin Schönefeld airport is not disappearing. It is now Terminal 5 of the "new" Berlin-Brandenburg Airport.

This airport could be historic for another reason than the one mentioned in the article.

With the fight against global warming, airport expansion projects risk being postponed indefinitely.

This is already the case for the Charles-De-Gaulle airport extension

> What future for ground handlers?

(source: Franceinfo) November 1 - Check-in, boarding of passengers, unloading of baggage, freight or guiding on the ground of aircraft, refueling. **Ground attendants are an essential link in the air transport ecosystem. This is known as "handling".**

These jobs are often little known or ignored, yet they represent tens of thousands of jobs, as pointed out in a recent study by Didier Bréchemier, a partner at Roland Berger.

The competitiveness of ground handlers, directly linked to the attractiveness of French airports, is a major social issue. **In 2015, the sector employed 42,000 people**, including 25,000 at the 12 leading French airports.

The Covid crisis (...) weakens the financial health of the players, even leading to their bankruptcy. This situation reminds us that the ground handling sector is at the heart of major economic and social issues. **The competitiveness of air transport players (first and foremost airlines) is conditioned by the competitiveness of airports, where ground handlers operate.** For airlines, controlling ground handling costs in French airports is essential to support the recovery and maintain the attractiveness of France as a destination".

"These costs represent 5% to 10% of airline revenues. In addition, internalizing ground handling services within airlines can be up to twice as costly as outsourcing them".

These jobs are necessary for airlines and also have a role to play in the greening of airports, in the ecological transition of air transport now highlighted by the crisis.

"Setting up greener ground handling activities, for example through the electrification of ground handling fleets, is a major challenge.

As such, Roland Berger estimates that a 90% electrified ground handling fleet in Paris airports would reduce CO2 emissions generated by ground handling by around 60%, and NOx, PM10 and PM2.5 emissions by 60 to 80%. In addition, Air France, in self-handling, has already announced an ambition of 60% electrical equipment on its fleet by the end of 2020 and wishes to increase this figure to 90% by 2025 (excluding the Covid effect)".

While waiting to see, perhaps one day, zero CO2 emission aircraft, the reduction of the sector's carbon footprint will be achieved through

ground operations with immediately applicable solutions.

End of the press review

> My comment on the evolution of the Air France-KLM share price

The **Air France-KLM share is at 2.95 euros** at the close of trading on Monday 2 November. **It is down 6.56%** over one week.

Before the coronavirus epidemic, the Air France-KLM share was at 9.93 euros.

The average (the consensus) of analysts for AF-KLM shares is 2.96 euros. The highest target price is 5 euros, the lowest is 1 euro. You can find on my blog the details of the analysts' consensus. I no longer take into account the opinions of analysts prior to the beginning of the health crisis.

The barrel of Brent oil (North Sea) is down \$1 to \$39. At the beginning of the coronavirus epidemic, it was at \$69.

This indicative information in no way constitutes an incitement to sell or a solicitation to buy Air France-KLM shares.

You can react to this press review or provide me with any information or thoughts that will help me better carry out my duties as a director of the Air France-KLM group.

You can ask me, by return, any question related to the Air France-KLM group or to employee shareholding...

See you soon.

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| François Robardet

Director Air France-KLM representing employee shareholders PNC and PS.

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