"Summer 2024 will be a challenge" says Air France-KLM CEO Ben Smith

Letter from François Robardet

At the forefront of more responsible European aviation, we bring people together to build the world of tomorrow.

(Raison d'être of the Air France-KLM group)

for employees and former employees

PS and PNC shareholders of Air France-KLM

N°969, June 17, 2024

If you do not see this page correctly, or if you want to read the English or Dutch versions, please contact us.

If you do not see this page correctly, or if you want to read the English or Dutch versions,

Als u deze pagina niet goed ziet, of als u de Engelse of Nederlandse versie wilt lezen,

follow this link , it is here, vindt u deze hier

Monday's Press Review

> "Summer 2024 will be a challenge" says Air France-KLM CEO Ben Smith

(source La Tribune) June 13, 2024 - Whether it was the Vancouver 2010 Winter Olympics or, to a lesser extent, the London 2012 Summer Games, Ben Smith, CEO of Air France-KLM since 2018 and former COO of Air Canada, is no stranger to this kind of experience. However, not only does Air France-KLM expect to carry some 120,000 people a day during the Paris Games, especially at the start and end of the competitions, but the vast majority will remain in Paris - whereas in normal summer peaks, half the passengers are only in transit in the capital.

(...)

Summer 2024 will be a challenge, but it's also an international showcase, which should give us the opportunity to win over passengers." This airline veteran is therefore confident about the project. But he's worried or frustrated about others...

Indeed, the 2024 Olympic Games are a milestone, but not the only one. For several months now, the **aviation landscape has been in turmoil. These include fears of new constraints, such as those that the Dutch government wanted to impose on Schiphol airport**, with a reduction in the number of annual flights (from 500,000 to 440,000 by the end of 2024), in the name of environmental protection and the fight against noise pollution.

(...)
Another development is the mergers taking place in the sector. **Air France-KLM intends to take a 19.9% stake in the Scandinavian airline SAS**, which has been bankrupt since mid-2022 (while the Castlelake consortium would take around 32%, Lind Invest, a Danish investment company, 8.6% and the Danish state around 26%). This will be a great addition to our passenger offering," says Ben Smith, "**with a hub in Northern Europe and a network for North Atlantic traffic**. What's more, the airline, which was part of Star Alliance, will shortly be joining Sky Team."
(...) It
's hardly surprising either that the CEO of Air France-KLM aims to make a further investment in SAS "within the next two years", in order to gain control of the company.

This is a smart move to counter the competition - which is not the case with Lufthansa's takeover of ITA Airways, the former Alitalia. For several months now, the German airline has wanted to acquire a 41% stake. According to the latest press agency reports on June 13, such a merger, which has been causing concern in Brussels due to a possible reduction in competition on short- and long-haul routes between Italy and other countries, could finally be given the go-ahead, following further corrective measures proposed by Lufthansa. (
....
Finally, while European airlines have embarked on major maneuvers to strengthen synergies and secure their future, they are also facing competition from foreign airlines, particularly in Asia, if only because of flight restrictions over Russia in retaliation for the invasion of Ukraine. "Given the size of the Russian territory, this is a real problem. **To get to Asia by bypassing Russia, you need to add 2 or 3 hours to your flight time.** This increases costs by 20-30% and prevents us from offering non-stop flights between Paris and Manila, for example," sighs Ben Smith.
On all these points, as well as on environmental constraints and taxation, **the CEO of Air France-KLM wants, in good Anglo-Saxon fashion, a "level playing field", in other words, a level playing field when it comes to international competition**.
The same applies to another key element in the airlines' current strategy: decarbonization. While efforts and progress are being made - notably in fleet renewal and alternative fuels - "**the availability of SAF is not strong enough, and the price is too high**", he laments. In his view, governments need to offer incentives to energy producers to supply more SAF at lower cost, so that all airlines can benefit. That way, they can concentrate on other issues, such as competition...

My comment: *With the Olympic Games just around the corner, the question arises as to whether this event, which is generally favorable to the economic growth of the host country, will also benefit Air France.*

Will tourists flock to France en masse this summer, or will the constraints of organizing the Olympic Games in Paris and the significant rise in accommodation

prices prompt some to postpone their visit for a year?

The half-yearly results published at the end of July 2024 should provide the answer.

> European air transport haunted by the spectre of decline

(source Les Echos) June 11, 2024 - Despite renewed growth and record profits, has European air transport entered an inexorable decline?

This question was the elephant in the room at last week's annual meeting of the International Air Transport Association (IATA) in Dubai.

While the heads of some 240 airlines were collectively delighted by the renewed dynamism of air traffic, which is on course to reach 5 billion passengers, **there was a striking contrast between the winning optimism of American, Middle Eastern and Indian airlines, and the anxiety of European airlines**.

It's hardly surprising," says a former European airline executive who has moved on to other horizons. **Europe is the region of the world where airlines have to put up with the most constraints**. It's also the only region in the world where governments are voluntarily reducing air transport, while everywhere else, the airplane is seen as an essential driver of economic development".

Rafael Schvartzman, Iata's Vice President Europe, summed up the contrast in no uncertain terms, referring to the "relative decline" of European aviation.

Europe is at a crossroads," he stressed. Its economy is losing dynamism and competitiveness, and air transport is recovering more slowly than worldwide. **The 20-year forecasts clearly indicate that Europe's relative decline will continue**," he continued. More worryingly, current regulatory trends even seem destined to accelerate this decline, rather than reverse it."

Indeed, IATA's 20-year traffic forecasts are unambiguous. While air passenger traffic in Europe is set to grow by some 656 million passengers between now and 2043, at a rate of 2.3% a year, the Americas (North and South) are set to gain 970 million (659 million in North America and 311 in Latin America). The Middle East will continue to grow by 3.9% a year, adding 282 million passengers over twenty years. But **Asia will account for the lion's share of global air traffic growth**, at a rate of 5.3% a year. Of the 4 billion additional passengers expected by IATA between now and 2043, 2.75 billion will originate or terminate in the Asia-Pacific region.

European aviation's market share would thus rise from 26% of global passenger traffic in 2023 to 19.5% in 2043, while Asia's would climb from 34.1% to 46%. The Americas zone will fall from 30% to 25%.

(...)

IATA Director General Willie Walsh readily admits as much. "The market share of European airlines was 27% in 2000 and is still 27% today, while that of American airlines has fallen from 38% in 2000 to 22% in 2023. By contrast, the share of Asia-Pacific airlines has risen from 20% to 35%, and that of Middle Eastern airlines from

2.8% to almost 10%. So we can't talk about a decline in Europe today, but there is a **real risk that growth will take place elsewhere**.
The same applies to Eurocontrol. Between 2014 and 2023, 50% of long-haul flights to and from the 27 countries of the European Union were still operated by EU airlines. And **in all European countries where there is still a major national airline, it remains dominant in its market.** This is the case in France, where Air France retains the largest share of the long-haul market.
(...)
And the rapid rise of new giants such as Turkish Airlines, which plans to fly twice as much as Air France-KLM within the next ten years, Air India, Indigo, Saudia and Riyadh Air, are further reasons for concern.

My comment: *In my letter no. 930, I mentioned the OECD's forecasts for air traffic growth between 2015 and 2050. They appear to be higher than those of IATA above. :*

**** beginning of quote, OECD forecasts ****
. Africa: traffic multiplied by 9.5
. Asia: traffic multiplied by 8
.
China + India: traffic multiplied by 6.8
.
Europe + Turkey: traffic multiplied by 1.7
.
Latin America: traffic multiplied by 4.4
.
Middle East: traffic multiplied by 3.2
.
North America: traffic multiplied by 2
. Pacific: traffic multiplied by 2.3

Traffic shares will be fundamentally altered:
. Africa: from 3% in 2015 to 8% in 2050
.
Asia: from 10% in 2015 to 21% in 2050
.
China + India: from 14% in 2015 to 25% in 2050
.
Europe + Turkey: from 30% in 2015 to 14% in 2050
.
Latin America: from 6% in 2015 to 7% in 2050
.
Middle East: from 6% in 2015 to 5% in 2050
.

North America: from 21% in 2015 to 11% in 2050
.
Pacific: from 9% in 2015 to 6% in 2050
**** end of quote ****

Both indicators confirm the strong growth potential of China, India and Asia, in contrast to the European and American markets.

New measures in France and Europe (additional taxes, airport restrictions) with no equivalent elsewhere in the world would be counter-productive. They would strengthen the position of airlines competing with European airlines.

> Condensation trails the focus of industry attention

(source Journal de l'Aviation) June 11, 2024 - In the race to decarbonize aviation, issues surrounding sustainable fuels tend to monopolize attention, as their development represents the most immediate and among the most effective prospects available to the industry. But **studies on the impact of contrails are also multiplying, as their reduction also appears to be an avenue for decarbonization**. At its annual general meeting, **the Air Transport Association called for greater cooperation on this subject**, in order to better understand the formation and impact of contrails on the Earth's radiation balance, and to devise mitigation measures. At the same time, Airbus and Neste have just published the results of a comparative study on their formation when using 100% sustainable fuel instead of traditional Jet A-1 in their engines.
Alejandro Block, in charge of new energies and technologies at IATA, explains that there are different types of contrails. Those that are not persistent are not an issue, while others have a greater environmental impact, as they can agglomerate and cause the formation of high-altitude cirrus clouds. In this case, the effect on the climate is variable: reflecting heat from the sun's rays (thus having a cooling effect), they also block the Earth's heat (warming effect). These effects can occur simultaneously, and can sometimes be reversed during the trail's lifetime. But these effects are still poorly understood, and while the scientific consensus is for a predominantly warming effect, any assertions are for the moment based on "educated guesses" due to significant gaps in research.

IATA is therefore calling on as many parties as possible to commit to collecting data, particularly on moisture levels in the upper atmosphere - an element considered key to contrail formation, but on which studies are lacking, calling into question the relevance of current forecasting models. By 2030, **the association hopes that more airlines will be able to join a research program** alongside aircraft manufacturers, research centers and meteorological institutes, and equip more and more aircraft with sensors, while research continues and climate and humidity models become more accurate.

In the medium term (2030-2040), IATA imagines that standards could be set for data transmission and the ongoing validation of training models, while aircraft manufacturers could integrate observation devices into their aircraft at the production stage, and preventive measures could be put in place. Thus, from this date onwards, **with continuously collected data, reliable models and infrastructures, and a better understanding of the non-CO2 effects of alternative fuels, mitigation solutions should be more comprehensive and relevant.**

SAF would produce less contrails than the A-1 Jet

Against this backdrop, Airbus, Rolls-Royce and Neste have just published the world's first study of contrail formation by an aircraft powered 100% by sustainable fuel (ECLIF 3 campaign). The aircraft was an A350-900, followed by a DLR Falcon 20 to take measurements.

The industrialists and researchers determined that soot particles and ice crystal formation were reduced with the SAF supplied by Neste, compared with conventional Jet A-1: "for similar atmospheric and engine operating conditions during a single flight, a 56% reduction in ice concentrations was observed for HEFA-SPK with near-zero aromatics and sulfur content compared with Jet A-1, while non-volatile particulate emissions were reduced by 35%", says the report. According to DLR modelling, the environmental impact of contrails from SAF combustion would be reduced by 26% compared with Jet A.

"In addition, a cleaner aviation fuel with a low natural (or artificial) aromatic and naphthalene content, as well as a low sulfur content, could reduce the impact of contrails on the climate," the research team therefore believes.

"We already knew that sustainable aviation fuels could reduce the carbon footprint of aviation. Thanks to the ECLIF studies, we now know that SAFs can also reduce soot emissions and the formation of ice particles seen in contrails. This is a very encouraging result, based on science, which shows how essential sustainable aviation fuels are for decarbonizing air transport", commented Mark Bentall, Head of Airbus' Research and Technology Program. **However,**

the **study calls for further research along the same lines as IATA,** namely more systematic measurements of the impact of air temperature and humidity on contrail formation. Pending greater availability of SAFs, and to maximize their effectiveness, it considers that the volumes used should be used to replace the "dirtiest" Jet A-1s and for routes with a high probability of persistent contrails.

My comment: *It is crucial for manufacturers and airlines to collaborate with the world of research to advance sustainable aviation.*

The Sustainable Aviation Observatory, created in partnership with the OMNES association, is helping to centralize information on a national scale.

By promoting neutral and factual scientific communication, we can encourage

constructive reflection and debate within our sector.

> Air transport: the green revolution... or death

(source La Tribune) June 12, 2024 - Guillaume Faury, Executive Chairman of Airbus, likes to say: "**Aviation is undergoing its fourth revolution, that of decarbonization**." Having got heavier-than-air aircraft off the ground, flown safely and democratized (in the most developed countries, at least), we now need to drastically reduce their CO2 emissions. Three years ago, the industry set itself the goal of achieving net zero emissions by 2050. A crazy but essential gamble.
(...) As it stands,
such an effort to reduce emissions may already appear utopian. But when you consider the structural growth of air transport, it seems almost mission impossible. After the Covid parenthesis, traffic has resumed its inexorable march forward, and with it its emissions. **The International Air Transport Association (IATA), the sector's largest organization with 320 member airlines, is forecasting a doubling of traffic by 2040** to almost 8 billion passengers, while **manufacturers Airbus and Boeing are counting on a doubling in the number of aircraft.**

What air transport really needs is a revolution. During one of his first outings dedicated to aviation at the end of May, **the new Minister of Transport, Patrice Vergriete, said it all: "We need to accelerate decarbonization**.
(...)
The question is how to achieve net zero emissions. In this equation with several unknowns, **sustainable aviation fuels (SAF) appear to be the key factor.** According to the roadmap defined by IATA, they should provide almost two-thirds of the decarbonization effort, replacing 80 to 90% of kerosene by 2050.
This requires a drastic increase in global production: 24 million tonnes of SAF per year by 2030, 100 million by 2040 and 400 million by 2050. However, production will only be 1.5 million in 2024. That's six times more than two years ago, but it's still a drop in the kerosene ocean, of which 300 million tonnes will be consumed this year - an all-time record. **So we urgently need to change scale.**

At present, SAF is produced from biomass, a resource that is by its very nature limited. This creates the risk of conflicts of use with other applications (biogas, biodiesel, etc.). **The problem will also arise for synthetic fuels**, which will eventually account for the bulk of production. They will require decarbonated electricity, green hydrogen and even CO2 in quantity, resources increasingly coveted by all sectors of industry and transport. **According to the French Air and Space Academy, European aviation will require 650 TWh/year of decarbonized electricity to meet its needs in 2050, or 10% of the EU's estimated electricity consumption at that date**.
And aviation doesn't weigh much in the equation. **According to IATA, SAF will account for just 6% of the world's sustainable fuel production this year,**

compared with the 25-30% needed (...
).
The gap between needs and production is undoubtedly widest in Europe. According to the European Aviation Safety Agency (EASA), EU airports will need 2.3 million tonnes of SAF by 2030, but projections show that local production will cover only 10% of these needs. And to reach the 28 million tonnes needed in 2050, between 100 and 250 new production units would have to be built. Including energy costs, this would require an investment of 1,000 billion euros over the period, according to Michel Wachenheim, President of the French Air and Space Academy and former Director General of the French Civil Aviation Authority.
Acknowledging the limits of the European regulatory approach, which has introduced mandatory incorporation of SAF into kerosene where the United States has stimulated production with financial incentives, Patrice Vergriete asserts that he wants to go further: "It's undoubtedly **now up to the European Union, and France, to come up with the economic framework for regulation**. We may have been slow in Europe - but not in France - to rise to the challenge. It's a subject that needs to be on the table at European level, and you can count on France to put it on the agenda".
The Minister mentions the public investment of 200 million euros in a call for projects to launch synthetic fuel production in France, announced by Emmanuel Macron last year at the Paris Air Show. This effort was deemed necessary but not sufficient by **the French airline industry**, which **points to both the lack of availability and the excessive cost of SAF, three to five times more expensive than kerosene**. This additional cost is far from negligible, as Anne Rigail, CEO of Air France, pointed out last year at the Paris Air Forum: "**1% sustainable aviation fuels is 100 million euros, 10% is over a billion**". And there are major disparities from one continent to another. According to the head of Air France, a tonne of SAF can be found for 2,000 euros in the United States, compared with 4,500 euros in France.
(...) While we
wait for these solutions to take full effect, the clock is ticking, as carbon emissions continue to accumulate. Hence the need for some to limit growth, or even reduce the number of flights, at least temporarily. On this point, in somewhat stark contrast to his predecessor, Patrice Vergriete was adamant: "Continuing to travel is a guarantee of open-mindedness. And open-mindedness is sorely needed. I'm deeply opposed to the idea that we should give up mobility. A world without mobility is a dangerous world. I'm delighted that we can continue to discover other cultures, other territories, that there are no restrictions.

My comment: *The availability of Sustainable Aviation Fuels is clearly insufficient to meet the decarbonization targets set at all levels (France, Europe, World).*

There is an urgent need to put in place a continent-wide framework and resources to fund research:
. to identify new production processes,

. to improve the yields of current manufacturing processes,
. to reduce energy consumption, and . to optimize the use of biomass.
. to optimize the use of biomass

while maintaining the same quantity produced.

It will also be essential to stimulate production through financial incentives, following the example of the USA.

Without such measures, the European flag would be dangerously weakened.

> IATA aims to structure the sustainable aviation fuel market

(source Journal de l'Aviation) June 13, 2024 - Airlines don't want to feel powerless to support the development of a sustainable aviation fuel (SAF) industry. The International Air Transport Association (IATA) is continuing to **lobby governments and voice the needs of its members**, and is working on the creation of an "SAF Registry", due to be launched in the first quarter of 2025.
(...)
The idea is to move away from the bilateral discussions that characterize the market today, and to globalize the market. By extension, **the SAF Register should offer a reliable system for tracking the quality and quantity of SAF used, measuring emissions and the extent to which it has been effectively decarbonized**.
In more detail, the Registry must enable airlines to purchase SAF, regardless of where it is produced, with **clear information on environmental attributes that will enable emissions reductions to be reported accurately**. It will be neutral with regard to regulations or types of SAF. Work is underway with certification organizations and fuel producers to standardize data for efficient processing. **It will also help companies comply with regulations (CORSIA, ETS)** and provide protections against double accounting and double claiming.
"We will provide a tracking methodology and a reporting platform. Our system may not produce miracles, but there won't be any miracles if we don't put it in place," says Marie Owens Thomsen.
Seventeen airlines, one airline group, six national authorities, three OEMs and one fuel producer are
currently supporting the creation of the Registry.

The structuring of a sustainable aviation fuel market seems essential to IATA: SAF will account for 65% of the decarbonization effort within the framework of the objective of eliminating net carbon emissions from aviation by 2050. But this means we need to do more than accelerate production. Although the volume of sustainable fuel will triple in 2024 compared with 2023 (from 500,0000 tonnes to 1.5 million tonnes), this will only cover 0.53% of needs this year. The next hurdle is very high: SAF production will have to be multiplied by 1,000 by 2050, to reach 500 million

tonnes produced per year and cover all the needs of airlines.

IATA is already tracking all announced production projects to determine future availabilities.
(...)
However, motivation is lacking. Marie Owens Thomsen explains that it's easier and cheaper to drill for oil than to set up the processes to produce sustainable fuel. And aviation fuel production is far from being a priority: only 3% of sustainable fuels produced are SAF.

Government involvement is therefore essential to speed up deployment: increase the proportion of co-processing from 5% to 30%, and incentives to improve the production mix of renewable fuel facilities or stimulate investment, as has been implemented in the USA.

My comment: *IATA has the means to defend the interests of the airlines with the institutions and to make regulations evolve.*

These interests converge with those of airline employees.

It is essential to promote data sharing and the pooling of efforts in general to achieve decarbonization objectives. The greatest challenge for IATA will be to ensure that airlines in all regions of the world agree to make similar efforts. .

> The ambitions of the C919, a Chinese aircraft with foreign know-how

(source Le Monde) June 12, 2024 - (...) The C919 made its first commercial flight in May 2023, but has only been operating on scheduled routes since the beginning of the year. From Shanghai, where China Eastern, one of China's three major state-owned airlines, is headquartered, to Chengdu, Xi'an and Beijing.
For China, which regularly trumpets the successes of its technological catch-up - high-speed trains, space exploration, aircraft carriers and stealth fighters, electric cars - **the C919 is still only half a victory. It has taken fifteen years of intense effort to get to this point**. In 2008, a state-owned company, Comac (Commercial Aircraft Corporation of China), was set up with the mission of raising China's C rating and breaking the Airbus-Boeing duopoly.
Initial dependence on foreign technologies
But the technical challenges are multiple, and **China is forced to rely on a huge number of foreign technologies**. The engines are from a joint venture between France's Safran and the USA's GE, the nacelles also come from Safran, much of the avionics is from the USA's Honeywell, the black boxes are also supplied by GE, and the landing gear from Germany's Liebherr. The nose comes from a Chengdu group, the wings in part from another in Xi'an, and major parts of the fuselage from China's

AVIC. In 2020, the specialist website AirFramer identified forty-eight major components from American sources, twenty-six from European sources and fourteen from China.

Experts consulted by Le Monde claim that most of the critical parts and more than half of the total value come from abroad. And this despite a considerable national effort. The Center for Strategic and International Studies, an American think tank, estimated in 2020 that Comac had received over $45 billion (€41.9 billion) in state support.

This initial dependence on foreign technologies is a well-known feature of Chinese development. To make high-speed trains, the country first placed orders with Kawasaki, Siemens, Alstom or Bombardier, enabling it to rapidly deploy a network, compare, learn and do things itself. The ambition is the same for the aircraft assembled in China, but the process is different. **An aircraft has to be certified. The C919 has already been certified in China, but not yet by the European and American authorities**, whose judgment influences the decisions of many others. Changing important parts effectively modifies the aircraft itself and its certification.

"The challenge in gradually replacing [foreign parts] with Chinese parts is to ensure that they are compatible with the foreign parts used before, that they are interchangeable for the company. Otherwise, it's a profound change in design, a bit like a new airplane," explains Li Hanming, an aeronautics consultant based in Guangzhou. Developing a new and different part alters the certified aircraft, but making one that is perfectly compatible means drawing heavily on the foreign product that already exists and has been patented.

..

China also has its eyes on the foreign market, but securing orders there will still take time. Between Boeing, which is going through a crisis of confidence, and Airbus, whose order books are full, **some companies wouldn't mind seeing more competition**. "But to be convincing, you need a whole environment, with maintenance and engineering on site, pilot training and spare parts", explains Andrew Charlton, director of Aviation Advocacy, consultants in the sector. Airbus and Boeing networks around the world have been built up over decades.

The C919's first commercial route was Chengdu-Shanghaï, because it was in the capital of Sichuan (western China) that Comac built a repair site. The only examples of the Chinese regional jet, the ARJ-21, the C919's little brother, operated abroad are by a small Indonesian company, TransNusa, in which a major Chinese leasing company, CALC, has taken a substantial stake. Comac has sent teams to the site.

Initially, China hopes to sell the C919 more on this type of market, which is geographically closer and more price-conscious. After visiting the Singapore Air Show in the spring, the Chinese aircraft made a stopover in Cambodia, and Comac opened a representative office in Vietnam.

However, in these emerging markets, the economic equation is not certain either. "A company, before buying, wants to know the price at which it can hope to resell the

aircraft - this remains an unknown factor for the C919 - and make sure that the entire support and maintenance chain is accessible nearby. This will be a big challenge for the Chinese offer," notes Shukor Yusof, founder of Endau Analytics, a Singapore-based firm specializing in the aerospace market. Especially as **the C919 consumes more kerosene than the Airbus A320, being heavier, using more steel and fewer composite materials.**

But **China will be very attractive on price, while it improves its product**. (...) In the
meantime, the C919 is proving its worth in Chinese skies, having logged 6,000 flight hours and carried 276,000 passengers. Six have been delivered to China Eastern. The aircraft is racking up orders from major state-owned airlines. Guangzhou-based China Southern has ordered one hundred, as have Beijing-based Air China and Shanghai-based China Eastern.

My comment: *In my December newsletter #942, I offered you the following infographic showing the origin of C919 parts.*

COMAC will have to be persuasive to sell its model despite its high fuel consumption.

The Chinese manufacturer has a number of trump cards up its sleeve, not least the attractive price of its heavily subsidized aircraft.

Some countries geopolitically close to China could be interested if COMAC's delivery times are shorter than those of the competition.

End of press review

> Air France-KLM share price trend

Air France-KLM shares closed at **9.692 euros on** Friday June 14. It is **down**

sharply this week (-7.25%).

It was 12.53 euros on January 2, 2023, and 17.77 euros on June 19, 2023.

The analysts' 12-month average (consensus) for AF-KLM shares is 15.09 euros (it was 15.0 euros at the beginning of January 2023). The highest price target is 23.00 euros, the lowest 9 euros. I only take into account analysts' opinions subsequent to the May 2022 capital increase.

You can find details of the analyst consensus on my blog.

My comment: *After fluctuating between 9.50 and 10 euros following the announcement of the 2023 annual results, the Air France-KLM share price has been regularly above 10 euros for the past month and a half.*

> Fuel price trends this week

The price of a barrel of Jet Fuel in Europe is up +$5 to $103. It was $94 at the end of June 2023, and $79 before the outbreak of war in Ukraine.

Brent crude oil (North Sea) is **up +$3 to $83 per barrel.**

From mid-February 2022 to the end of July 2022, it was yo-yoing between $100 and $120. Since then, it has oscillated between $75 and $99.

My new comment: Since the beginning of the year, *the price of a barrel of oil has been relatively stable. It fluctuates between $80 and $90.*

The price of a barrel of Jet Fuel in Europe is falling steadily, from $120 to $100.

The spread between Jet Fuel in Europe and Brent crude oil has followed the same trajectory as Jet Fuel, approaching its pre-Ukraine level.

> FCPE management

When you invest in one of Air France's FCPE funds, you obtain shares in these funds. You do not hold shares directly.

It's the supervisory boards, which you elected in July 2021 for a five-year term, that manage the funds and make the decisions.

The Aeroactions, Majoractions and Concorde funds only hold Air France shares.

The Horizon Épargne Actions (HEA), Horizon Épargne Mixte (HEM) and Horizon Épargne Taux (HET) funds manage portfolios of various equities.

My comment: *If you'd like to find out more about how the various Air France FCPEs are managed, please visit the Air France-KLM Employee Share Ownership section of my website.*

Details

This information does not constitute a solicitation to buy or sell Air France-KLM shares.

You can react to this press review or send me any information or thoughts that will help me to keep you better informed.

By return, you can ask me any questions you may have about the Air France-KLM group or employee share ownership...

See you soon.

For the latest Monday press reviews, click here.

If you like this press review, please pass it on.

New readers can receive it by sending me an email address of their choice.

François Robardet

Represented Air France-KLM's employee and former employee PS and PNC shareholders.
You can find me on my twitter account @FrRobardet