PARTICIPANTS

Corporate Participants

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Edward H. Bastian – Chief Executive Officer & Director, Delta Air Lines, Inc.
Glen W. Hauenstein – President, Delta Air Lines, Inc.
Paul A. Jacobson – Chief Financial Officer & Executive Vice President, Delta Air Lines, Inc.
Ned E. Walker – Senior Vice President & Chief Communications Officer, Delta Air Lines, Inc.

Other Participants

Joseph William DeNardi – Analyst, Stifel, Nicolaus & Co., Inc.
Jamie N. Baker – Analyst, JPMorgan Securities LLC
Hunter K. Keay – Analyst, Wolfe Research LLC
Michael John Linenberg – Analyst, Deutsche Bank Securities, Inc.
Helane Becker – Analyst, Cowen & Co. LLC
Brandon Oglenski – Analyst, Barclays Capital, Inc.
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MANAGEMENT DISCUSSION SECTION

Operator: Good morning, everyone, and welcome to the Delta Air Lines March Quarter 2018 Financial Results Conference. My name is Ebony, and I will be your coordinator. At this time, all participants are in a listen-only mode until we conduct a question-and-answer session following the presentation. As a reminder, today's call is being recorded.

I would now like to turn the call over to Jill Greer, Vice President of Investor Relations. Please go ahead, ma'am.

Jill Sullivan Greer, Vice President, Investor Relations, Delta Air Lines, Inc.

Thanks, Ebony. Good morning, everyone, and thanks for joining us for our March quarter earnings call. Joining us today from Atlanta are CEO, Ed Bastian; our President, Glen Hauenstein; and our CFO, Paul Jacobson. Our entire leadership team is here in the room for the Q&A session.

Ed will open the call and give an overview of Delta's financial performance, Glen will then address the revenue environment, and Paul will conclude with a review of our cost performance and cash flow. To get in as many questions as possible during the Q&A, please limit yourself to one question and a brief follow-up.

Today's discussion contains forward-looking statements that represent our beliefs or expectations about future events. All forward-looking statements involve risks and uncertainties that could cause the actual results to differ materially from the forward-looking statements. Some of the factors that may cause such differences are described in Delta's SEC filings. We'll also discuss non-GAAP financial measures. All results exclude special items, unless otherwise noted.

On January 1, Delta adopted several new accounting standards. All prior year periods have been recast to reflect adoption of those new standards. You can find more detail on this and a reconciliation of our non-GAAP measures on the Investor Relations page at ir.delta.com.

And with that, I'll turn the call over to Ed.

Edward H. Bastian, Chief Executive Officer & Director, Delta Air Lines, Inc.

Thanks, Jill. Good morning, everyone. Thank you for joining us. Earlier today Delta reported a $676 million March quarter pre-tax profit and earnings per share of $0.74, beating consensus by $0.01. Our $9.8 billion in revenues were a record for the March quarter and we came in at the high-end of our initial profit guidance, as that strong revenue performance offset a $0.05 per share impact from severe weather.

We've just passed the one-year anniversary of last year's Atlanta storm, an event that we've leveraged to improve our response and recovery to irregular operations. So despite more impactful winter weather in the Northeast this year, we had 52 days in the quarter of zero mainline cancellations. We also had 19 days in the quarter without a single cancellation across the entire Delta system, which is better performance than the first quarter of a year ago.

More customers than ever are choosing Delta because of the great service our people provide and the reliability of the product that we deliver. Not only are we seeing record numbers of passengers, we're also seeing solid improvements in our customer satisfaction scores. We reached all-time high Net Promoter Scores in each geographic region in 2017 and recorded a strong 44% rating domestically for the most recent month of February.

All these results are a credit to the dedication and determination of the Delta people. Every day, they make a difference to our customers and they are truly our greatest competitive asset. And I want to thank them and say congratulations for starting the year with $183 million already made towards next year's profit sharing payment.

With our people and our culture as the foundation, we outlined a path to grow earnings in 2018 at our Investor Day in December. And we remain confident that we're on track to deliver the key elements of earnings improvement that we laid out at the start of this year; revenue-driven earnings growth, changing our cost trajectory, and leveraging our international partnerships.

Growing our top line is a priority and we have good momentum. In the first quarter, we delivered 8% top-line growth and expect a similar result in the June quarter. Not only are we sustaining the strong revenue premium to the industry, we're also diversifying our revenue base and driving double-digit gains from other sources, like cargo, loyalty revenue, and Branded Fares.

And I was also very pleased to see our international revenues grow at a strong pace, led by 15% top-line growth in the trans-Atlantic. Of equal priority is changing our cost trajectory. Our non-fuel cost growth has been trending at an unacceptably high rate. We need to get that back to 0% to 2%

this year. This quarter we saw cost growth step down a couple of points from the December quarter, and June will mark our third consecutive quarter of sequentially improving performance.

With nearly 50 aircraft still to be delivered this year, we look to our upgauging to drive a lot of efficiency not only this year, but well into the future. Our One Delta project is another initiative that uses the learnings from last year's Atlanta storm for how we can collaborate better across the business. With better efficiency, there will be cost savings and this is one way we'll continue to deliver a best-in-class place to work for our people, a leading product for our customers, and top tier investment for our shareholders. And while we still have work to do, we're moving in the right direction and setting a solid foundation to consistently deliver on our cost targets.

Finally, leveraging our international partnerships. While the core of our strength today is the domestic business, we realize our long-term marketplace is the world. No one better connects the world than Delta and today we offer more options than ever before, whether on our aircraft or via our international partners. This quarter we received final approval for our newest joint venture with Korean Air, which is expected to launch May 1 and will offer customers world-class travel benefits across one of the most comprehensive route networks in the trans-Pacific market.

We're also working closely with Air France-KLM and Virgin Atlantic to finalize a single trans-Atlantic JV. By taking our most established relationships to a new level and creating our first multilateral joint venture, which will be the industry's largest and most profitable, we can create even more value from these partnerships.

It was ten years ago this week that we announced the Delta/Northwest merger, and the transformation of our company has been unprecedented. We are financially stronger, enabling us to consistently deliver and invest in a high quality experience for our customers, while still sharing success with our people.

We have started the year with solid momentum and we remain focused on revenue-driven earnings growth and the prudent deployment of our cash flows. And we will continue to leverage the strength of our culture, our industry-leading reliability, our unrivaled domestic network, our customer loyalty and brand, and our investment-grade balance sheet to create long-term value for Delta's employees, our owners, and the customers and communities that we serve. We're off to a good start in 2018 and we look forward to maintaining that momentum over the balance of the year.

With that, I'm happy to turn the call over to Glen.

Glen W. Hauenstein, President, Delta Air Lines, Inc.

Thank you, Ed. Good morning, everyone. We are seeing our strongest revenue momentum since 2014, driven by improvements in all geographic regions, strong corporate results, and double-digit increases in loyalty revenue. I'd like to thank the entire Delta team for the great service they provide to our customers each and every day, which is what truly drives these strong results.

Our March quarter revenue was the highest in our history, with 8% top-line growth, driven by strong demand across all entities and improving business and leisure yields. Corporate revenues also show an acceleration across all regions, up 7% in the quarter. With domestic fares up 2.8% year-over-year, we have now recovered a quarter of the decline in domestic average corporate fares versus the peak in 2014.

We are confident these trends will continue. Our most recent travel survey, which concluded on March 16, noted that 86% of travel managers expected their spend to be maintained or increased in 2Q and beyond. Our revenue momentum is evident across all parts of Delta. Cargo sales were up 23%, our best first quarter performance since 2015, and other revenues grew 13% ex-refinery, driven by a strong 14% improvement in our loyalty.

Turning to unit revenues, TRASM was up 5%, with all entities again posting positive year-over-year PRASM growth. Close-in bookings for February and March showed strong momentum. As a result, we saw accelerating unit revenue performance each month throughout the quarter.

Domestic passenger revenue was up a strong 7% on a 4% capacity growth. The domestic entity delivered its fourth consecutive quarter of year-over-year improvement with PRASM up 2.5%. All domestic hubs demonstrated unit revenue improvements, with the exception of Seattle, where RASM was flat on a 20% capacity increase during the weakest quarter of the year.

Business yields improved by 6 points in the quarter, inflecting to positive in mid-February. We are maintaining a record domestic revenue premium to the industry, despite absorbing the industry's highest increase in stage length and gauge.

Internationally, we saw improving trends, with unit revenues up 7.6%, outpacing the domestic entity for the third consecutive quarter. Trans-Atlantic unit revenues increased 12% on strong business class bookings and a 0.5 point currency tailwind. Strong business cabin performance, a robust summer demand outlook, and currency tailwinds are expected to continue to drive positive trends for the entity into the next quarter.

In addition, we expect to see continued strength for our Comfort+ product, which we saw an increase of more than 40% in the first quarter versus 2017. Our paid load factor in Comfort+ now exceeds 50%. In close coordination with our JV partners, we are launching several new markets this summer that connect the strengths of our networks and we are seeing encouraging forward bookings.

In our Latin region, unit revenues grew 6%, the seventh consecutive quarter of positive unit revenues for the entity, driven by strong demand trends across much of the portfolio and continued alliance integration. Caribbean performance is encouraging as the region recovers from last year's hurricanes. However, we are seeing challenges in Mexico as Open Skies drove increased capacity in business markets and travel advisories pressured demand to beach destinations.

In the Pacific, unit revenues were up 4% for the quarter on an 8% increase in stage length, the second quarter of unit revenue growth for the entity. We are especially encouraged by the rate of improvement in this region. We are currently seeing all Pacific markets with positive unit revenue momentum. The pricing environment has improved year-over-year, as industry capacity growth has moderated.

We are seeing strong demand and revenue performance for the Delta One suite and Premium Select as we continued to expand our A350 service across the region. Based on current trends, we believe our momentum will continue to build through the year and allow us to produce positive unit revenues each quarter on increasingly tougher comps. We expect June quarter TRASM to be up 3% to 5% on 3% to 4% higher capacity, which includes 1 point of stage length and 2 points of gauge increases.

I'd also remind you that for comparison purposes, last year's April storms reduced 2017 unit revenues and capacity by approximately 1 point each.

Longer term, we're focused on driving revenues and earnings growth to our network, our brand and customer experience, and segmentation initiatives. First, leveraging our domestic network, the U.S. market drives much of Delta's earnings and margin strength today. Through our upgauging, we can efficiently add capacity, notably in constrained airports and premium time channels, allowing us to further improve our domestic performance. This year, over 70% of our domestic seat capacity growth is coming from upgauging.

Second is strengthening our brand and improving the customer experience. We believe that strong customer satisfaction is directly tied to our sustained revenue premium. One of our major initiatives is to further improve the customer experience through our digital transformation. By taking a customer-centric approach to this major technology investment, we can give our employees the data they need to deliver a more personalized level of service.

We're also leveraging our strong brand to drive solid gains through our loyalty program. Last year, the Delta/American Express co-brand portfolio had record acquisitions, and we just had another record quarter. Co-brand spend was up 14%, which helped drive $85 million of incremental value from our American Express agreement this quarter, and we're on track to deliver $3.3 billion in total contribution for the full year.

And finally, we continued to expand our segmentation initiatives, offering customers more choices. We have implemented technologies to make the purchase of various fare bundles and products easier for customers, and we worked with our JV partners to align Branded Fare offerings across our partnerships.

This quarter, Virgin Atlantic launched a full range of segmented products and we now offer an aligned Basic Economy product with both Virgin and Air France-KLM in the trans-Atlantic. We've completed a similar effort with Aeroméxico as they introduced a product akin to Delta's long-established Comfort+ in addition to introducing Basic Economy. With our fleet upgauging contributing to an 11% increase in premium seats, we grew First Class upsale and Comfort+ revenues over 20% in the March quarter.

The Branded Fare momentum, combined with future functionality, such as post-purchase Pay with Miles, put us on pace to achieve our goal of $350 million of incremental revenue in 2018 and a targeted $2.7 billion of total revenue by 2019.

With our employees' outstanding service giving customers every reason to keep flying Delta, our commercial initiatives in place and strong revenue momentum building in all geographic entities, we feel we are well-poised to deliver solid top-line growth throughout 2018.

And with that, I'd like to turn it over to my good friend, Paul.

Paul A. Jacobson, Chief Financial Officer & Executive Vice President, Delta Air Lines, Inc.

Thank you, Glen, and good morning, everyone. Thank you for joining us. As we've mentioned repeatedly, one of our top priorities this year is addressing our cost trajectory. For the March quarter, total operating expenses increased $817 million, with half of that resulting from higher fuel prices and higher capacity and revenue-related costs.

Our non-fuel costs were up 3.9% for the March quarter on 2.7% higher capacity. Over 2 points of this increase were driven by investments we made in our employees and higher depreciation expense due to accelerated aircraft retirements. This cost inflation is a step down from what we saw in the December quarter, but it came in at the high end of our initial guidance due to about 1 point of pressure from weather and foreign exchange during the quarter.

As we move through the year, we'll continue to see increasing relief on costs as we annualize prior year investments and gain benefits from our upgauging and One Delta initiatives. For the June quarter, we expect our non-fuel CASM to increase 1% to 3%.

While depreciation pressure continues at a similar pace, we have now annualized last year's employee wage increases and also lapped the Atlanta storm, which combined provide a 1.5 point tailwind to CASM for the quarter. Then, as we move into the back half of the year, most of our incremental depreciation trails off after the third quarter, providing another 0.5 point of CASM relief. From this path alone, we get a cost result in the back half of the year that we expect will be significantly better than our first half performance, but that's not the whole story.

In addition to this, our fleet upgauging and One Delta initiatives can then really help bend the cost curve as we move throughout the year. The delivery of over 60 aircraft this year, including the first deliveries of the C Series, will drive some of the greatest efficiency gains in Delta's history, with $100 million in expected non-fuel savings this year alone. And our One Delta project with its focus on cross-divisional efficiency is expected to generate about $200 million in 2018 and $1 billion a year over the long term. Through this effort, we're taking a more holistic view of the company.

One of the first projects we've undertaken looks at the way we build our network and coordinate our scheduling functions. This project is focused on simplifying the process, enabling better communication between all divisions, and ultimately allowing more efficient utilization of our aircraft and facilities. This initiative is expected to generate $100 million of savings this year and $300 million at a full run rate. It will also give us a platform to take our operational performance to the next level, while also driving a better outcome for our customers.

Another example of the type of efficiency we're targeting this year is the creation of a best-in-class transportation group within Delta Cargo to serve as the single source for all of Delta's logistics needs. We've also identified opportunities to drive crew hotel scheduling and spend efficiencies. These cargo and hotel initiatives are set to deliver about $30 million this year alone. So, we're making progress on our costs and we have line of sight to get within our 0% to 2% range for the year, but there's definitely work ahead to get to the lower end, as we've said.

Looking at fuel, market prices have been volatile in the quarter, with Brent trading anywhere between $62 and $70, and most recently hitting $72 per barrel. Our total fuel expense increased $317 million in the quarter as market prices were 8% higher than December and 25% higher than prior year. That pressure was partially offset by a $40 million contribution from our Monroe refinery.

It is also important to note that this is the first quarter that Delta wasn't impacted by our legacy fuel hedges and that will continue for this year. For the June quarter, we expect our all-in fuel price to be $2.07 to $2.12.

Non-operating expenses for the quarter were roughly flat to prior year. Pension expense benefits, which now appear in the non-operating section, were offset by the seasonality of our 49% partner earnings. For the full year, we expect non-operating expense to be $200 million to $250 million lower than 2017, due primarily to pension expense savings benefits from our additional contributions and investment performance that we achieved last year. For the June quarter, we expect earnings per share to be in the range of $1.80 to $2 per share, which equates to a pre-tax margin of 14% to 16%.

Turning to the balance sheet and cash flow, we generated $1.3 billion of operating cash flow for the quarter, which allowed for reinvestment in the business through $1.2 billion in CapEx, with $1 billion of that related to aircraft and aircraft modifications. We continue to expect roughly $4 billion in capital spending for 2018 and will continue to target CapEx at 50% of our operating cash flow.

In the quarter, we generated $173 million of free cash flow and returned $542 million to shareholders through $325 million in share repurchases and $217 million in dividends. In January, we completed our 2018 pension funding with a $500 million voluntary contribution.

Assuming current discount rates, our unfunded pension liability has improved by roughly $1 billion since the end of 2017, showing further benefit from last year's accelerated contribution. This is just one example of the opportunities we have unlocked with our investment-grade balance sheet. And going forward, we expect to have more opportunity to continue transforming our balance sheet by refinancing from secured to unsecured debt, which will further increase our pool of unencumbered assets, while also reducing our interest costs.

We will also finance a portion of our LaGuardia redevelopment project using tax-exempt bonds as we harness the value of our investment-grade rating and maintain control of the project from a construction and cost management perspective, which will yield long-term benefits for us in New York.

In closing, we delivered solid earnings for the first quarter, with expected strong revenues across our businesses and improving cost trajectory and continued benefits from tax reform. The outlook remains very positive, and we are on track to drive significant earnings growth in 2018. I also want to pass along my thanks to the entire Delta team for their hard work in these efforts.

And with that, I'll turn the call back over to Jill to begin the Q&A.

Jill Sullivan Greer, Vice President, Investor Relations, Delta Air Lines, Inc.

Great. Thanks, everyone. And, Ebony, we are now ready for questions from the analysts if you could give instructions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] We will take our first question from Joseph DeNardi with Stifel. Please go ahead.

<Q – Joe DeNardi – Stifel, Nicolaus & Co., Inc.>: Yeah, thanks very much. Ed, Marriott trades at 22 times earnings because they have a business where they put their logo on front of a property and collect a cut of the revenue with no operating risk. Delta has arguably an even better business, where you put your logo on a credit card and take a cut of the spend. Your stock trades at seven times earnings.

My question is do you think you can apply what you've learned in forming these partnerships with foreign carriers in a way that better incentivizes both parties? Can you apply that to solve the challenge airlines have faced in trying to separate the marketing company from the airline business, so the market can more appropriately value the two?

<A – Ed Bastian – Delta Air Lines, Inc.>: Hi, Joe. We've had this discussion now for a year or two. One of the things that I think is real important is that we've aimed to provide better transparency and disclosure around the basis and the foundation of some of your comments looking into the loyalty arrangement and the profitability that it drives. And, hopefully, the marketplace is seeing that, that we've got a more sustainable and durable base revenue stream that's a bit – I wouldn't say disconnected, but it's not fully dependent upon the airline in and of itself. Over time, if we are unable to get our valuation to where we think it needs to be, we're open to options and ideas. But I'd say, it's premature to come to that conclusion at this point.

<Q – Joe DeNardi – Stifel, Nicolaus & Co., Inc.>: Very helpful. I'll leave it at one. Thank you.

<A – Ed Bastian – Delta Air Lines, Inc.>: Great.

Operator: Our next question will come from Jamie Baker with JPMorgan. Please go ahead.

<Q – Jamie Baker – JPMorgan Securities LLC>: Hey. Good morning, everybody. Glen, a question on the domestic and without asking for market specificity, what do your lowest-performing routes have in common? Is it low-cost carrier overlap? Is there a common trade in terms of gauge? Or is it simply where capacity is up the most that your domestic RASM is weakest? You mentioned Seattle in your prepared remarks. Obviously, the system as a whole functioning well, but always curious where underperformance is more acute. Any more color?

<A – Glen Hauenstein – Delta Air Lines, Inc.>: Underperformance in terms of revenue or P&L?

<Q – Jamie Baker – JPMorgan Securities LLC>: Preferably P&L.

<A – Glen Hauenstein – Delta Air Lines, Inc.>: So I think we've talked about this before, is that generally when we can get to gauge – and this is why our gauge story is so important to us, when we can get to the right operating gauge, we can compete in almost every sector, whether or not it's against a ULCC, whether or not it's up against legacy carriers. And so that's why we're really focused on getting the right gauge aircraft into the airline.

Generally, where we tend to lose money is where we can't get to scale. So the smaller equipment type in almost every class is the least profitable. So I think that's why we're so excited about the plan to bring in higher gauge to Delta and drive almost all of our growth through that higher gauge, because we think it's a much more robust and sustainable model.

<Q – Jamie Baker – JPMorgan Securities LLC>: Okay, perfect. And a question for Ed. You had a narrative at one point that Delta should be valued more in line with its high-quality industrial transport peers. And you seem to have de-emphasized or – I don't know – backed away from that messaging as of late. Is that because you no longer believe it, because it wasn't working, or some other reason?

<A – Ed Bastian – Delta Air Lines, Inc.>: No, we still believe that. I think that we need to prove it. I think we've made the point and I think the comparisons are clear to any of our owners. There's, obviously, something within the durability of our business framework that we need to continue to prove over time and we're seeking to do that. So I think the point was made and there's no reason to continue to beat that same drum.

<Q – Jamie Baker – JPMorgan Securities LLC>: Okay, that's fair. Appreciate it. Take care, everybody.

Operator: Our next question will come from Hunter Keay with Wolfe Research. Please go ahead.

<Q – Hunter Keay – Wolfe Research LLC>: Hey. Thank you. Good morning. So, looks like your passenger ticket revenue is 77% of your total revenues, which is down a little bit year-on-year. How low can you get that number in the long term? Do you think you can get that down to like two-thirds? Because I would presume the lower you can get that mix, the higher your earnings multiple would go. Would you agree with that?

<A – Ed Bastian – Delta Air Lines, Inc.>: That's an interesting question, Hunter. We don't necessarily look at it in that light. We certainly are looking, as I said in my earlier comment to Joe, about diversifying our revenue streams. But there's no question, our non-ticket-based revenues, and it's been for some time now, have been growing at a much faster clip than the ticket revenues. And as we bring segmentation and more customized marketing to bear, you'll see those trends continue. We've never set a target as to where that should be, though.

<Q – Hunter Keay – Wolfe Research LLC>: Okay. And then, Ed, just to clarify, are you still on track with 2018 EPS guidance range?

<A – Ed Bastian – Delta Air Lines, Inc.>: Yes, we are. Yes, we are. I know a number of people have been asking and talking about that over the course of the last few weeks. We continue to still expect to be in the range, and I think it's premature to conclude otherwise. Our Q1 was on plan. We expect the same largely in Q2 as well. Revenues are strong and we're running ahead of plan.

Our non-fuel costs are up a little bit, but we still expect full year to be in the target range and the wildcard is, obviously, fuel. It's currently probably $5 or $6 a barrel ahead of plan at this point, but it's been bouncing all around over the course of the year, to date. It really depends on our ability to price it and the time lag required. But it's only been at this $70 level here for a couple of weeks, so I'd say it's premature to conclude on a full-year basis as to whether that's going to continue in place.

<Q – Hunter Keay – Wolfe Research LLC>: All right. Thank you.

<A – Ed Bastian – Delta Air Lines, Inc.>: You're welcome.

Operator: We will take our next question from Michael Linenberg with Deutsche Bank. Please go ahead.

<Q – Mike Linenberg – Deutsche Bank Securities, Inc.>: Yeah, actually two questions here. Ed, just on the running higher than plan and you had mentioned, I think, oil in the same sentence. If we go back to December when you were guiding to 4% to 6% revenue growth for the year and you did reiterate that in this release, was your forecast at that time, was it at 8% top-line growth in the

March as well as June quarters, or is top line also running higher than plan than what you were thinking back in December?

<A – Ed Bastian – Delta Air Lines, Inc.>: Yeah, top line is running higher than plan in December. I forget the exact plan number for Q1, but we're running a good healthy clip ahead of plan.

<Q – Mike Linenberg – Deutsche Bank Securities, Inc.>: Okay, great. And then just my second question to Paul in the non-op area, where you're getting that $200 million to $250 million reduction due to lower pension expense. Does some piece of that find its way into the interest expense line as well?

<A – Paul Jacobson – Delta Air Lines, Inc.>: Hey. Good morning, Mike. No, it all sits in the other income line in non-op.

<Q – Mike Linenberg – Deutsche Bank Securities, Inc.>: Okay, great. Okay, thank you.

Operator: We'll move next to Helane Becker with Cowen. Please go ahead.

<Q – Helane Becker – Cowen & Co. LLC>: Thanks, operator. Hi, everybody. Thank you so much for the time. I'm not sure who should answer this question, but when you think about your Net Promoter Score and the improvement you've seen over the bunch of years since the merger and so on, is it possible to get to a level of 100?

<A – Ed Bastian – Delta Air Lines, Inc.>: Helane, I'll take that. No, it's not possible to get to a level of 100. You [ph] wouldn't (00:30:22) want to see the cost profile that it would take to get to 100.

<Q – Helane Becker – Cowen & Co. LLC>: Okay. So that's not necessarily a goal. Do you have like a goal in mind for that, or are you happy where it is right now?

<A – Ed Bastian – Delta Air Lines, Inc.>: Well, our domestic Net Promoter Score is in the mid-40s range. Internally, we would like to get that to 50, and then evaluate the cost benefits of continuing to increase it.

<Q – Helane Becker – Cowen & Co. LLC>: Okay. That's great. Actually all my other questions have been – most of my other questions have been asked and answered, so I'll just leave it at the one. Thanks, team.

<A – Ed Bastian – Delta Air Lines, Inc.>: Great. Thanks, Helane.

Operator: Our next question will come from Brandon Oglenski with Barclays. Please go ahead.

<Q – Brandon Oglenski – Barclays Capital, Inc.>: Hey. Good morning, everyone. Ed, not to beat a dead horse here, but I want to come back to Hunter's question on the guidance, because if we do hold the fuel constant here at $72 or $71, that would represent about 2 to 3 points of incremental costs relative to where you were guiding, and you're still talking about top line of 4% to 6%. So, I guess, the bigger, long-term question here is, earnings are going to be roughly flat or maybe slightly up this year, but in a cyclically very strong environment, and we're still down from a couple years ago on an operating basis. So what can you tell shareholders that you can change in the formula that can offset these fuel headwinds over time?

<A – Ed Bastian – Delta Air Lines, Inc.>: Well, I don't view fuel in the $70 range as a big headwind. In fact, I think it creates a lot more discipline about the business, and we've certainly proven the ability to make some very solid returns at this fuel price in the past. If you were to assume the $70 price range were to hold for the balance of the year, I think that would require about 1 point of additional RASM, plus or minus, to cover it, and we'll see.

I think it's premature, as I said, to say $70 is the new normal. The curve, as you know, is still backwardated. So if you were to take a market price, it's actually lower than that today. And I do think there's a tremendous amount of revenue momentum that we're seeing, and I think the industry as a whole is needing to price for this. This is not a unique Delta challenge. This is the industry, and that's why we've had good success.

<Q – Brandon Oglenski – Barclays Capital, Inc.>: But, I guess, that's what investors are asking here. What will drive that pricing upside, and should we just assume it's going to appear?

<A – Ed Bastian – Delta Air Lines, Inc.>: Pricing? You're saying...

<Q – Brandon Oglenski – Barclays Capital, Inc.>: Right.

<A – Ed Bastian – Delta Air Lines, Inc.>: ...what would enable us to cover that cost of pricing? Well, it's going to be several things. First of all, it's going to be strength of the economy. You have to look into what's driving the – the underlying reason why fuel is up. It's going to be the strength of our branding, our product strategies. Glen can add a little bit more on this, more color, but we believe through our Branded Fares, our international partnerships are really paying off. We've been investing for a number of years. As you know, that's been the most challenged part of the business over the last few years, and it's rebounding at a very strong clip. Our trans-Atlantic RASM was up 12% in the quarter. So there's a lot of underlying strength on the top line, and we'll continue to see it over time. Glen?

<A – Glen Hauenstein – Delta Air Lines, Inc.>: If I could just add, there's a huge correlation between airline revenues and fuel price, but it does take a little bit of time both directions, up and down, before it's absorbed into the marketplace. And so over the past few weeks, we've seen a fairly rapid run-up. Under normal circumstances with the growing economy, we would see that roll into fares probably in the 90- to 120-day range, but it has to stay there. And I think as it's fluctuating around, it's premature for us to start speculating as to how much of that would be captured in forward revenues.

<Q – Brandon Oglenski – Barclays Capital, Inc.>: Okay. Appreciate the response.

<A – Glen Hauenstein – Delta Air Lines, Inc.>: Sure.

Operator: We'll take our next question from Duane Pfennigwerth with Evercore ISI. Please go ahead.

<Q – Duane Pfennigwerth – Evercore ISI>: Hey. Thanks. Paul, just wondered if you have any new thinking regarding hedging longer term, and I know at one point you were studying the use of out-of-the-money call options. Just wondered, given this backwardation into 2019, if you're studying that anymore.

<A – Paul Jacobson – Delta Air Lines, Inc.>: Good morning, Duane. Hey, look, we're always taking a look at trying to make sure we're managing risk in the business. We have no plans to add any hedges at this time, and we'll continue to look at it. But again, I think we're pretty happy with where we sit right now. We're driving a lot of efficiencies in the business in which we buy fuel, and that's creating a nice sustainable advantage competitively, and we feel good about where we sit in the fuel line.

<Q – Duane Pfennigwerth – Evercore ISI>: Thanks. And then just for my second, broadly how you're thinking about the buyback. Maybe you could just remind us on where you are with the existing authorization and with this very generous free cash flow, how you're thinking about growing the buyback this year. Thank you.

<A – Paul Jacobson – Delta Air Lines, Inc.>: Sure, Duane. So, as we've talked about throughout the quarter, we're on track with the new $5 billion authorization, which was launched last year. We've completed about $1 billion of that and expect to complete that by the middle part of 2020, in line with the plans that we talked about last year.

<Q – Duane Pfennigwerth – Evercore ISI>: Thank you.

Operator: We will take our next question from Jack Atkins with Stephens. Please go ahead.

<Q – Jack Atkins – Stephens, Inc.>: Hey. Good morning. A couple revenue questions for me. First, on business fares domestically, with business confidence at cycle highs, what really needs to happen either from a macro perspective or from a company-specific perspective to really get that remaining 75% of the lost corporate fares back into the revenue line?

<A – Glen Hauenstein – Delta Air Lines, Inc.>: We're working on that every day and the dynamics competitively domestically have changed a lot over the last couple of years. But we don't see any real impediment to be able to get back there over time. And so every day we're working to get those up and it's at a market level, it's at a understanding our customers better level, and I think we've shown in the first quarter, anyway, what I would consider to be some industry-leading results in terms of our ability to capture that. And we see that momentum continuing into the second quarter.

<Q – Jack Atkins – Stephens, Inc.>: Okay, great. Thank you. And then, Glen, just following-up on your comments earlier on the cargo side of the business, clearly the global air freight market is quite strong and continues to be strong, driven by global trade and e-commerce demand. Your cargo revenues jumped nicely in the quarter, up 24%. How much more opportunity is there for you on the cargo side? Because it just seems to me like belly space could be seeing increasing load factors globally just given that main deck freighter capacity is essentially sold out globally at this point.

<A – Glen Hauenstein – Delta Air Lines, Inc.>: We're still a couple hundred million dollars below what our peak in cargo was just a few years ago, so I think there is continued momentum if we can, again, get back to those historic levels.

<A – Paul Jacobson – Delta Air Lines, Inc.>: If I can just add to that, Glen, I think the cargo team is doing a fantastic job, and where we have upside is to align the reliability and the quality of the airline into the cargo operation. They've done a great job of getting that, improving customer service, and driving the premiums that we should expect with the type of reliability the operation can drive.

<A – Glen Hauenstein – Delta Air Lines, Inc.>: Great point.

<Q – Jack Atkins – Stephens, Inc.>: Okay, great. Thank you for the time.

Operator: Our next question will come from Savi Syth with Raymond James. Please go ahead.

<Q – Savi Syth – Raymond James & Associates, Inc.>: Hey. Good morning, everyone. I think, Glen, last time – last quarter on the call based on current – the trends at the time, you'd expected Atlantic and Latin to be the best, and then maybe domestic and Pacific last. So just kind of curious, given the strength, kind of the way that it came out this quarter, is that a function of domestic being weaker than you had thought at that point or maybe Pacific performing better? And also just to follow-on, what were kind of the biggest drivers of the Pacific improvement?

<A – Glen Hauenstein – Delta Air Lines, Inc.>: Pacific has been a great surprise as we've moved through the year, and my hat's off to our Pacific team, who is really doing a great job managing a very robust business demand. I think when you think back to Brexit and whether or not you thought Brexit would cause more or less business demand to the UK, I think most of us would have prognosticated that Brexit would present a challenge for business traffic to the UK.

In reality, business traffic to the UK has never been stronger. And so as we think about a lot of what's going on in the press, we are apprehensive and monitoring very closely how business travel is going back and forth to China, but all we've seen is continued improvements and continued strength in that. So China, Japan, South Korea, all showing incredible strength.

<Q – Savi Syth – Raymond James & Associates, Inc.>: Just to follow on that, is – kind of the partnership with Korean, so we should kind of expect some kind of increased momentum as that kind of gets solidified and into the network, is that fair?

<A – Glen Hauenstein – Delta Air Lines, Inc.>: Yes. We have had, as we've mentioned in earlier calls, a multiyear restructuring of our international Pacific capacity away from our hub in Tokyo and towards non-stop flying into the major points in China. Now we'll continue to refocus using Korea as our main distribution platform for secondary and third tier cities in Asia, and we're off to a great start with our existing services and we'll be building on that over the next years.

<Q – Savi Syth – Raymond James & Associates, Inc.>: Okay, helpful. Thank you.

Operator: We will move next to Darryl Genovesi with UBS Financial. Please go ahead.

<Q – Darryl Genovesi – UBS Securities LLC>: Hi, guys. Thanks for the time. It looks like your capacity guidance for the second quarter combined with what you did in the first is trending towards the top end of the range for the year, even a little bit above. Should we expect a deceleration in the second half?

<A – Glen Hauenstein – Delta Air Lines, Inc.>: So we said three for the year. We're at a little bit over that for this quarter with 1 point of that attributed to the year-over-year storm impact.

<Q – Darryl Genovesi – UBS Securities LLC>: Okay. And then when we – I think the last couple of times that you guys have spoken, you have alluded to CASM being towards the – or that you hoped that CASM will be closer to the lower end of the range. Paul, your commentary today sounded like it had a slightly different tone. Do you still think that you can get into the lower half of that range this year?

<A – Paul Jacobson – Delta Air Lines, Inc.>: Hey. Good morning, Darryl. Yeah, I think that is still our target, our goal, and our expectation. I think what we were trying to do on the call today is give the market a progress update on the initiatives that we've talked about through the year, but we still feel good about hitting those full-year targets.

<Q – Darryl Genovesi – UBS Securities LLC>: Okay. And then just one quick bookkeeping one. On the non-op, the $200 million to $250 million decline, is that a change or was that fully contemplated in the original guidance and you're just disclosing it for the first time?

<A – Paul Jacobson – Delta Air Lines, Inc.>: It was fully contemplated in our original plan.

<Q – Darryl Genovesi – UBS Securities LLC>: All right. Thanks a lot, guys. Appreciate it.

Operator: Next we will move to Rajeev Lalwani with Morgan Stanley. Please go ahead.

<Q – Rajeev Lalwani – Morgan Stanley & Co. LLC>: Good morning.

<A – Ed Bastian – Delta Air Lines, Inc.>: Good morning, Rajeev.

<Q – Rajeev Lalwani – Morgan Stanley & Co. LLC>: Glen, a question for you. Can you just talk about your expectations around domestic and international as the year progresses in terms of the spread between the two? I guess, I'm just trying to figure out whether domestic has the opportunity to catch up to international or if international is going to be coming in.

<A – Glen Hauenstein – Delta Air Lines, Inc.>: I think that domestic represents such a huge revenue pool for us, to imagine that domestic would move like the trans-Atlantic and be up 12% is a little bit of a stretch, but we see solid progression through the year, and I think that's what we're working on is to continue that momentum. As you know, last year was our first quarter of year-over-year positive revenue momentum. So keeping that trajectory going over an ever-increasing base is our goal, and we think it's very achievable.

<Q – Rajeev Lalwani – Morgan Stanley & Co. LLC>: Yeah, I had just a quick one. So you're, obviously, very committed to hitting the earnings numbers for the year and you seem on track. Would capacity at all be a lever for you to maybe get there, assuming that the pricing environment is in good shape?

<A – Ed Bastian – Delta Air Lines, Inc.>: You zoned out there. Is your question will capacity changes help keep us in our full-year guidance range?

<Q – Rajeev Lalwani – Morgan Stanley & Co. LLC>: Yeah, that's right. Or is it something you would consider, assuming that the pricing environment is holding, obviously?

<A – Ed Bastian – Delta Air Lines, Inc.>: We're comfortable with our capacity for the year. We're generally within the range that we gave at the start of the year with respect to guidance. There are changes over the course of the year. Some of the international strength certainly causes you to think there's little more you can do there. But fundamentally, no, our capacity is what it is and those type of changes need to be seasoned over a much longer period of time. We can't adjust them on the dime.

Operator: Caller, did that answer your question?

<A – Jill Greer – Delta Air Lines, Inc.>: I think it did. We can go to the next one.

<Q – Rajeev Lalwani – Morgan Stanley & Co. LLC>: It did.

Operator: Our next question will come from Dan McKenzie with Buckingham Research. Please go ahead.

<Q – Dan McKenzie – The Buckingham Research Group, Inc.>: Hey. Good morning. Thanks, guys. Glen, with respect to the plan for overall full-year growth of 2% to 3%, what's the growth in premium seats for the year and, if you have it, for the back half of the year? My thought is just given the upgauging this year, the premium seats are probably up more than 2% to 3%. And, I guess, I'm just trying to peel back the onion on how the premium seats sort of tie into RASM and how the average fare premium for these seats – what kind of average fare premium these seats might garner versus an average fare across the system.

<A – Glen Hauenstein – Delta Air Lines, Inc.>: That's really one of the backbone, if you will, of our commercial strategy is to continue to increase the number of premium seats we have in the marketplace using the upgauging strategy as the main vehicle for that. So we will have double-digit increases throughout the year in terms of premium seats in the marketplace, and the premiums that we get on that, depending on the product, range from 10% to 2 times the average coach fare. So that's really a key driver for us, and I think one of the reasons we were able to post what I would consider to be superior revenue numbers for the first quarter.

<Q – Dan McKenzie – The Buckingham Research Group, Inc.>: There we go. Thank you. And then, Paul, with respect to the 50 aircraft that are yet to be delivered this year, what's the philosophy on aircraft financing at this point and where would that leave net adjusted debt at year-end? And, I guess, where I'm going with that is, as you think about your pool of capital returned to shareholders, obviously, I heard you loud and clear on the $5 billion buyback. I'm just trying to get a sense of how financing may help either expand or – with respect to your leverage metrics.

[Technical Difficulties] (00:46:55-00:47:09)

<A – Paul Jacobson – Delta Air Lines, Inc.>: Dan, are you there?

<Q – Dan McKenzie – The Buckingham Research Group, Inc.>: Yeah, sorry. I'm not sure. Paul, can you hear me?

<A – Paul Jacobson – Delta Air Lines, Inc.>: We can hear you now.

<Q – Dan McKenzie – The Buckingham Research Group, Inc.>: Oh, okay, great. Thanks. Sorry about that. My second question was for Paul. And it's just with respect to the 50 aircraft yet to be delivered this year, I was just wondering what the philosophy is on aircraft financing and where that might leave net adjusted debt at the end of the year.

<A – Paul Jacobson – Delta Air Lines, Inc.>: Sure, Dan. Sorry about the technical difficulties. We continue to lease some of our deliveries, but we're predominantly paying aircraft with cash, improving our unencumbered asset base, and continuing to provide cushion and flexibility for the future. The leased aircraft portfolio, as we've discussed, is getting back into our targeted range of 20% to 25% of the fleet. It had gotten as low as 7% or 8% during the peak of our de-levering. We want that for long-term future flexibility, residual value management, et cetera. And on the debt point, we're very comfortable where our debt sits today. We are comfortably in all the investment-grade metrics that we target and we'll continue to monitor that as we go forward. So no material change to our plans or significant desire to increase or decrease debt materially.

<Q – Dan McKenzie – The Buckingham Research Group, Inc.>: Okay. Thanks for the time, you guys.

Operator: Our next question will come from David Vernon with Bernstein. Please go ahead.

<Q – Leo Vazquez – Sanford C. Bernstein & Co. LLC>: Thanks for taking my question. This is Leo Vazquez on behalf of David. So we've had Alitalia and easyJet holding talks. Could you comment on the potential impact for the SkyTeam and codeshare plans?

<A – Ed Bastian – Delta Air Lines, Inc.>: Unfortunately, we cannot.

<Q – Leo Vazquez – Sanford C. Bernstein & Co. LLC>: Okay. Thank you.

<A – Jill Greer – Delta Air Lines, Inc.>: And, Ebony, this is going to be our last question from the analysts.

Operator: Thank you. Our final question from the analyst will come from Susan Donofrio with Macquarie Bank. Please go ahead.

<Q – Susan Donofrio – Macquarie Capital (USA), Inc.>: Yes, good morning. My question is on your new Branded Fares across the Atlantic. I'm just wondering how we should be thinking about it as far as whether you think it's going to further drive top-line growth that would have happened anyway from strong demand, or should we view it as more of a defensive strategy across the Atlantic against new competition.

<A – Glen Hauenstein – Delta Air Lines, Inc.>: I think that people like to categorize our products and services as defensive or offensive, but really what we're trying to do is we're trying to give customers what they want to buy from us. And if you think about the evolution of airlines, because of the way we distributed tickets historically, we weren't able to provide more customized products and services to individual purchasers. They were based on two or three classes of service and distribution through monolithic GDSs, which a ticket was a ticket was a ticket. And so this is really just a natural evolution of us trying to provide best-in-class services, no matter what your travel needs are.

So if you're able to pack your suitcase in an overhead bag, why would we charge you for handling baggage? And so I think it allows us to provide a variety of products and services starting from a very basic customer who is willing to forego some of the more historic attributes of a coach ticket in order to get a lower fare all the way up to our very premium services, where we have the finest champagnes and the flatbed seats with direct aisle access and the Delta One suites. So we're really excited about this change in Delta's ability to sell to our customers, and we think that it's been well-accepted by the marketplace and that customers are finding value in it.

<Q – Susan Donofrio – Macquarie Capital (USA), Inc.>: Great. And then just as a follow-up, I notice that your trans-Atlantic partners are calling their branded fares different names. Would we expect as you further integrate your trans-Atlantic JV, that you'll start having a little bit more standardization of some of the fare products?

<A – Glen Hauenstein – Delta Air Lines, Inc.>: I think that the first thing which was so great to do is to get the alignment on what those products are, and I think over the next five years we would like to see more convergence with our partners on the products and services, absolutely. Does that involve them being bioidentical, if you will? Probably not. They'll all have nuances in it. But I think what we've launched with Air France-KLM and what we've launched with Virgin and what we've launched with Aeroméxico is a great step forward. Although the nomenclature and the languages sometimes are different, the value proposition and the tickets are identical, and that's a really big step forward for us.

<Q – Susan Donofrio – Macquarie Capital (USA), Inc.>: Okay, great. Thank you.

<A – Jill Greer – Delta Air Lines, Inc.>: Thanks, Susan. Thanks, everyone. That is going to wrap up the analyst portion of the call. And now I will hand it over to Ned.

<A – Ned Walker – Delta Air Lines, Inc.>: Okay. Hey. Thanks very much, Jill. Ebony, we're ready to begin the media call. If you don't mind, would you please review the process for asking a question? Also, I'd like to ask the media to limit themselves to one question with a quick follow-up. That way, we should be able to address most questions. Ebony?

Operator: Absolutely. [Operator Instructions] We will take our first question with Alana Wise from Reuters. Please go ahead.

<Q – Alana Wise – Reuters>: Hi. Good morning, everyone. Thanks so much for taking the call and taking my question. So there was some mention earlier about business traffic to the UK, and it just made me a little bit curious about whether or not Delta is preparing for the possibility of a slowdown as the effect of Brexit begins to take affect later. And are there concerns that changes to current U.S./UK Open Skies agreement could have a negative effect on Delta's trans-Atlantic business?

<A – Glen Hauenstein – Delta Air Lines, Inc.>: Sure. We monitor this on almost a daily basis and, of course, we react to changes in demand profiles as quickly as we can. And we're looking out as far as we can see right now and we see no trail-off in business demand for the UK at all. As a matter of fact, it's very robust right now. But if indeed it does change, we will react to it, of course. As far as the Open Skies agreements, we think that there will be no real significant change in the way we operate to the UK or to Europe from any of the changes of Brexit.

<Q – Alana Wise – Reuters>: Fantastic. Thanks so much.

Operator: Our next question will come from Michael Sasso with Bloomberg News. Please go ahead.

<Q – Michael Sasso – Bloomberg L.P.>: Hey, good morning. You may have seen news out this morning that the owner of British Airways, IAG, has taken a stake in Norwegian and may bid for the entire thing. I wonder if you'd just comment; one, about how you see that affecting capacity or just the market across the Atlantic. And the bigger question is do you see anyone else, potentially Delta or anyone else, buying a share or potentially all of Norwegian?

<A – Ed Bastian – Delta Air Lines, Inc.>: Michael, this is Ed. I don't know what British Airways' plans are. I think you're probably better off asking them. And, no, we don't have any plans to invest in Norwegian.

Operator: We'll move next to Doug Cameron [ph] with Wall Street Journal. Please go ahead.

<Q – Doug Cameron – The Wall Street Journal, Inc.>: Hey. Quick couple from me. That was a long hour, everybody, a long hour. I'll never get it back. Just on Norwegian, Ed, do you still oppose their – the granting of the licenses by DOT? You're, obviously, vocal in your opposition and there's still been lingering calls from some of the unions. Do you think those trans-Atlantic licenses for the UK and Irish units should be revoked?

<A – Ed Bastian – Delta Air Lines, Inc.>: Doug, we haven't engaged on that topic in some time, so I wouldn't be in a position to respond to that at this moment.

<Q – Doug Cameron – The Wall Street Journal, Inc.>: But you did engage in it for three years.

<A – Ed Bastian – Delta Air Lines, Inc.>: Yes, we did, and I think we've moved on.

<Q – Doug Cameron – The Wall Street Journal, Inc.>: You've moved on, very good. Okay. And just a quick one. You talked about the AmEx side and the card revenue, et cetera. If you were to pick two or three of the, shall we say, non-operating, nonflying revenues, where do you expect or would you hope to see most growth going forward in the medium term?

<A – Ed Bastian – Delta Air Lines, Inc.>: I think the AmEx relationship, which has been growing at a double-digit clip, will continue to grow at a double-digit clip, which is significantly outside the run rate of the core airline business. So I think that's a significant improvement. Our cargo and MRO businesses are also doing very well, especially with the introduction of the Geared Turbofan into our fleet, and I think those are easily double-digit growth businesses for us, certainly over the next number of years.

And then the Branded Fares initiatives, as we continue to segment and merchandise the product better, will grow at a faster clip than ticketed revenues, which is what we mentioned on the call. I don't know how much more is out there, but I think there's a considerable improvement potential, and I think those are more durable – a durable base of revenues, all of those that I mentioned going forward, which adds to our overall foundation in terms of the strength and sustainability of the business model we've created.

<Q – Doug Cameron – The Wall Street Journal, Inc.>: That's really useful. Thanks very much. Look forward to seeing those C Series.

<A – Ed Bastian – Delta Air Lines, Inc.>: Yeah, me too.

Operator: We'll move next to Ted Reed with Forbes. Please go ahead.

<Q – Ted Reed – Forbes Media LLC>: Thank you. I guess my question is for Glen. There's some reporting that – I know your international growth, particularly trans-Atlantic, is great. But there's some reporting that leisure traffic from Europe and elsewhere is weak. Can you comment on that?

<A – Glen Hauenstein – Delta Air Lines, Inc.>: We don't see that. We see record travel between the U.S. and Europe in both directions for peak summer of 2018. So I'd say we are selecting traffic from the U.S. over traffic from Europe, because the fares are higher out of the U.S. than they are out of Europe. They have been historically higher for the last 20 years, and that trend continues. So to the extent that we can favor U.S. origin traffic in peak, we do. But the total traffic to Europe we think will be record-breaking this year.

<Q – Ted Reed – Forbes Media LLC>: All right. Thank you.

<A – Ned Walker – Delta Air Lines, Inc.>: Okay. Ebony, we have time for one more question, please.

Operator: Thank you. Our final question will come from Edward Russell with Flightglobal. Please go ahead.

<Q – Edward Russell – Flightglobal>: Thank you for taking my question. I was wondering if you could provide any more detail on the number of C Series, and when the first aircraft will arrive this year.

<A – Ed Bastian – Delta Air Lines, Inc.>: Well, our plan is to take the first C Series by the end of the year and probably induct it into the service at the start of 2019.

<Q – Edward Russell – Flightglobal>: And do you know how many you plan to take this year?

<A – Ed Bastian – Delta Air Lines, Inc.>: In calendar 2018?

<Q – Edward Russell – Flightglobal>: Yes.

<A – Ed Bastian – Delta Air Lines, Inc.>: It's just a handful in the fourth quarter.

<Q – Edward Russell – Flightglobal>: Thank you.

Ned E. Walker, Senior Vice President & Chief Communications Officer, Delta Air Lines, Inc.

Okay. We appreciate everyone's time, and Ed, Glen, Paul, thank you very much. This will conclude the 2018 March quarter earnings call, and we'll be back in July. Thanks, everyone.

Operator: Again, ladies and gentlemen, this does conclude today's conference. Thank you for your participation. You may now disconnect.