



DCF Review

Delta Air Lines, Inc. (DAL)

Values in Millions except per share amounts

Overrides are currently inactive

● = marks items on this page that can be overridden
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Click on the icons to access the [Overrides edit page](#).

Select Scenario To View:

Details on my DCF calcs are below. The 9th year of my DCF produces a per share value closest to, but still below the current market price of about \$11.17.

	EY 2012	EY 2013	EY 2014	EY 2015	EY 2016	EY 2017	EY 2018	EY 2019	EY 2020	EY 2021	EY 2022
Dynamic Discounted Cash Flow Analysis											
<i>The Calculations that drive the Decision Page</i>											
GAP (Growth Appreciation Period)	1	2	3	4	5	6	7	8	9	10	11
Total Operating Revenue	\$40,382.25	\$46,439.59	\$53,405.53	\$61,416.35	\$70,628.81	\$81,223.13	\$93,406.60	\$107,417.59	\$123,530.23	\$142,059.76	\$163,368.72
Total Operating Revenue Growth	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
NOPBT (Net Operating Profit Before Tax)	\$3,513.26	\$4,040.24	\$4,646.28	\$5,343.22	\$6,144.71	\$7,066.41	\$8,126.37	\$9,345.33	\$10,747.13	\$12,359.20	\$14,213.08
NOPBT Margin	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%
Cash Tax Rate	20.3%	20.3%	20.3%	20.3%	20.3%	20.3%	20.3%	20.3%	20.3%	20.3%	20.3%
NOPAT Margin	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%
NOPAT (Net Operating Profit After Tax)	\$2,800.06	\$3,220.07	\$3,703.09	\$4,258.55	\$4,897.33	\$5,631.93	\$6,476.72	\$7,448.23	\$8,565.46	\$9,850.28	\$11,327.82
Net Working Capital Delta	263.4	302.9	348.3	400.5	460.6	529.7	609.2	700.5	805.6	926.5	1,065.4
Fixed Adjusted Assets Delta	3,423.7	3,937.3	4,527.9	5,207.0	5,988.1	6,886.3	7,919.3	9,107.1	10,473.2	12,044.2	13,850.8
Change in Invested Capital	3,687.1	4,240.1	4,876.2	5,607.6	6,448.7	7,416.0	8,528.4	9,807.7	11,278.8	12,970.7	14,916.3
FCF (Free Cash Flow)	(\$887.01)	(\$1,020.06)	(\$1,173.07)	(\$1,349.03)	(\$1,551.39)	(\$1,784.09)	(\$2,051.71)	(\$2,359.46)	(\$2,713.38)	(\$3,120.39)	(\$3,588.45)
FCF Present Value	(815.6)	(862.5)	(912.1)	(964.5)	(1,020.0)	(1,078.6)	(1,140.6)	(1,206.1)	(1,275.5)	(1,348.8)	(1,426.3)
FCF Cumulative Present Value	(815.6)	(1,678.2)	(2,590.3)	(3,554.8)	(4,574.8)	(5,653.3)	(6,793.9)	(8,000.0)	(9,275.5)	(10,624.3)	(12,050.5)
Terminal Value	36,802.9	42,323.3	48,671.8	55,972.6	64,368.4	74,023.7	85,127.3	97,896.4	112,580.8	129,467.9	148,888.1
Present Value of Terminal Value	33,841.9	35,787.0	37,843.8	40,019.0	42,319.1	44,751.4	47,323.5	50,043.5	52,919.8	55,961.4	59,177.8
Corporate Value	\$33,026.22	\$34,108.79	\$35,253.58	\$36,464.16	\$37,744.33	\$39,098.07	\$40,529.63	\$42,043.46	\$43,644.30	\$45,337.15	\$47,127.30
Excess Cash	\$1,859.25	\$1,859.25	\$1,859.25	\$1,859.25	\$1,859.25	\$1,859.25	\$1,859.25	\$1,859.25	\$1,859.25	\$1,859.25	\$1,859.25
Adjusted Net Assets from Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unconsolidated Subsidiary Assets (non-operating)	-	-	-	-	-	-	-	-	-	-	-
Adjusted Total Debt	(22,116.0)	(22,116.0)	(22,116.0)	(22,116.0)	(22,116.0)	(22,116.0)	(22,116.0)	(22,116.0)	(22,116.0)	(22,116.0)	(22,116.0)
Preferred Capital	-	-	-	-	-	-	-	-	-	-	-
Minority Interests	-	-	-	-	-	-	-	-	-	-	-
Value of Outstanding ESO After-Tax	(92.0)	(92.0)	(92.0)	(92.0)	(92.0)	(92.0)	(92.0)	(92.0)	(92.0)	(92.0)	(92.0)
Pensions Net Funded Status	(14,102.0)	(14,102.0)	(14,102.0)	(14,102.0)	(14,102.0)	(14,102.0)	(14,102.0)	(14,102.0)	(14,102.0)	(14,102.0)	(14,102.0)
Shareholder Value	(\$1,424.62)	(\$342.05)	\$802.74	\$2,013.33	\$3,293.49	\$4,647.24	\$6,078.79	\$7,592.62	\$9,193.46	\$10,886.31	\$12,676.46
Shares Outstanding	845.5	845.5	845.5	845.5	845.5	845.5	845.5	845.5	845.5	845.5	845.5
Shareholder Value per Share	(\$1.68)	(\$0.40)	\$0.95	\$2.38	\$3.90	\$5.50	\$7.19	\$8.98	\$10.87	\$12.88	\$14.99
GAP (Growth Appreciation Period)	1	2	3	4	5	6	7	8	9	10	11
Maximum Loss Exposure from Special Purpose Entities	-	-	-	-	-	-	-	-	-	-	-

Decision Page pulls Performance Hurdles values from below for the relevant GAPs

Total Operating Revenue CAGR	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Average Economic Earnings Margin	(3.8%)	(3.7%)	(3.5%)	(3.3%)	(3.2%)	(3.0%)	(2.8%)	(2.7%)	(2.5%)	(2.4%)	(2.2%)
Average ROIC	4.9%	5.1%	5.3%	5.4%	5.6%	5.8%	5.9%	6.1%	6.2%	6.4%	6.5%
ROIC (Return On Invested Capital)	4.9%	5.3%	5.6%	5.9%	6.3%	6.6%	6.9%	7.2%	7.4%	7.7%	7.9%
WACC (Weighted Average Cost of Capital)	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%
Incremental Return on Capital	14.1%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%
Average NOPAT Margin	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%
Average Avg Invested Capital Turns	0.71	0.73	0.76	0.78	0.81	0.83	0.85	0.88	0.90	0.92	0.94
NOPAT CAGR	14.0%	14.5%	14.7%	14.7%	14.8%	14.8%	14.9%	14.9%	14.9%	14.9%	14.9%