

# Validating the Trust

## AAL 2017 Earnings

### Team Members:



#### People

- Named 2017 Airline of the Year by Air Transport World
- Accrued \$241 million for 2017 profit sharing
- Provided mid-contract salary increases to pilots and flight attendants
- Shared benefits of the recent Tax Cuts and Jobs Act by issuing \$1,000 payments to all non-officer team members



#### Community Relations

- American team members delivered more than 2.5 million pounds of supplies and raised over \$2 million for hurricane relief efforts
- Nearly 1,000 American team members brought more than 1,600 children and spouses of fallen service men and women to DFW for Snowball Express

### Customers:



#### Operational Performance

- Best full-year results in on-time departures (D0), on-time arrivals (A14) and mishandled baggage reports (MBR) since the merger



#### Basic Economy and Premium Economy

- Expanded Basic Economy across the U.S. and into Mexico and the Caribbean
- Launched Premium Economy on 64 widebodies through January



#### Network and Fleet Renewal

- Added LAX-Beijing and announced DFW-Reykjavik-Keflavik, Iceland, PHL-Prague, PHL-Budapest, and ORD-Venice starting summer 2018
- Final year of accelerated fleet renewal program to induct more than 400 mainline and 100 regional aircraft since 2014
- Began flying new Boeing 737 MAX and launched narrowbody satellite Wi-Fi retrofit program



#### Lounges

- Opened Flagship Lounges in JFK, MIA, ORD and LAX
- Opened or refurbished Admirals Club lounges in MCO, IAH, LAX T4, LAX T5, YYZ, JFK and ORD.

### Shareholders:



#### Financial Accomplishments

- Returned \$1.7 billion to shareholders for the year

	FY 2017	YEAR-OVER-YEAR
REVENUE	\$42.2 B	▲ +5%
TRASM	15.27 ¢	▲ +3.9%
GAAP PRETAX INCOME	\$3.1 B	▼ 28.3%
PRETAX INCOME EXCLUDING NET SPECIAL ITEMS <sup>1</sup>	\$3.8 B	▼ 24.3%
GAAP EPS	\$3.90	▼ 18.9%
FULLY DILUTED EPS EXCLUDING NET SPECIAL ITEMS <sup>1</sup>	\$4.88	▼ 14.5%

<sup>1</sup> Please see the reconciliation to GAAP measures in American Airlines' press release at <http://news.aa.com/press-releases/press-release-details/2018/American-Airlines-Group-Reports-Fourth-Quarter-And-Full-Year-2017-Profit>



"2017 was a remarkable year for American Airlines. Our operation continues to deliver record-setting performance for the company, and the credit goes to our team members who are simply the best in the business. We're entering 2018 with strong momentum. Demand for American's reliable, friendly service remains strong, our network is expanding, and the products we are bringing to market are resonating with customers."

— DOUG PARKER, CHAIRMAN AND CEO

2017	
ACCRUAL FOR PROFIT SHARING	\$241 M
CAPITAL RETURNED VIA BUY-BACKS & DIVIDENDS	\$1.7 B

~6,700 FLIGHTS	~350 DESTINATIONS	~50 COUNTRIES
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