

# AAL 3Q 2018 Earnings

We are focused on four long-term strategic objectives:

## Create a World-Class Customer Experience



### Onboard Experience

- Named a "Five Star Global Airline" by the Airline Passenger Experience Association, based on customer feedback
- Activated free live TV on domestic aircraft. Live TV will be rolled out throughout the domestic mainline fleet throughout 2019
- Fast Wi-Fi now on 380 domestic aircraft, with installations finished on the long-term domestic mainline fleet by mid-2019
- Announced a partnership with casual restaurant Zoës Kitchen to add buy-on-board Main Cabin items beginning Dec. 1



### Network

- Announced new service to new destinations: Berlin, Germany (TXL); Bologna, Italy (BLQ); and Dubrovnik, Croatia (DBV)
- Launched new nonstop service from PHL to Mexico City

## Make Culture a Competitive Advantage



### Flight Service Integration

- Merged the flight attendant team Oct. 1, allowing them to transfer bases and work across the entire fleet, with benefits for them and for customers



### People and Community Relations

- Donated \$300,000 to the American Red Cross in partnership with customers, and \$300,000 to the North Carolina Community Foundation Disaster Relief Fund to ease the burdens on those affected by Hurricane Florence
- Reopened The CR Smith Museum to the public, with new interactive displays including an MD-80 cockpit
- Honored four team members with the 10th annual Earl G. Graves Award for Leadership in Diversity & Inclusion

## Ensure Long-Term Financial Strength



### Fleet Renewal

- Took delivery of three new Boeing 787-9 Dreamliners and four Boeing 737 MAX 8s

## Think Forward, Lead Forward



- Worked with the Transportation Security Administration to add a state-of-the-art computed tomography scanner at JFK Terminal 8, enhancing aviation security for team members and customers
- Began accepting the world's largest mobile payment platform, Alipay, on aa.com in China



After Hurricane Florence, 175 volunteers packed relief supplies at the line maintenance hangar in CLT.

	3Q 2018	YEAR-OVER-YEAR
REVENUE	\$11.6B	▲ 5.4%
TRASM	15.4¢	▲ 2.6%
GAAP OPERATING EXPENSE	\$10.9B	▲ 12.4%
GAAP PRETAX INCOME	\$456M	▼ 57%
PRETAX INCOME EXCLUDING NET SPECIAL ITEMS <sup>1</sup>	\$688M	▼ 41%
GAAP EPS	0.74¢	▼ 46%
FULLY DILUTED EPS EXCLUDING NET SPECIAL ITEMS <sup>1</sup>	\$1.13	▼ 25%

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



"Strong demand for American's service led to record revenue in the third quarter and our eighth consecutive quarter of unit revenue growth. Our team continues to do an outstanding job of taking care of our customers, including during difficult situations such as Hurricanes Florence and Michael.

We have moved quickly to adapt to higher fuel costs, and we have significant revenue growth opportunities. We are confident these actions will return American to both revenue outperformance and earnings growth in 2019 and beyond and we remain very bullish on the future of American Airlines."

— DOUG PARKER, CHAIRMAN AND CEO

	3Q 2018
ACCRUAL FOR PROFIT SHARING	\$43M
CAPITAL RETURNED VIA DIVIDENDS	\$46M



~6,700  
FLIGHTS

~350  
DESTINATIONS

~50  
COUNTRIES

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