

American Airlines Group Inc.
Condensed Consolidated Statements of Operations
(In millions, except share and per share amounts)
(Unaudited)

	3 Months Ended		Percent Increase (Decrease)	6 Months Ended		Percent Increase (Decrease)
	2024	2023		2024	2023	
Operating revenues:						
Passenger	\$ 13,202	\$ 12,978	1.7	\$ 24,661	\$ 24,081	2.4
Cargo	195	197	(1.3)	382	420	(9.1)
Other	937	880	6.4	1,861	1,743	6.8
Total operating revenues	14,334	14,055	2.0	26,904	26,244	2.5
Operating expenses:						
Aircraft fuel and related taxes	3,061	2,723	12.4	6,042	5,890	2.6
Salaries, wages and benefits	3,953	3,635	8.7	7,820	6,917	13.1
Regional expenses:						
Regional operating expenses	1,189	1,073	10.7	2,311	2,135	8.2
Regional depreciation and amortization	79	80	(0.1)	158	160	(0.7)
Maintenance, materials and repairs	950	808	17.6	1,834	1,520	20.7
Other rent and landing fees	834	762	9.5	1,653	1,470	12.5
Aircraft rent	314	344	(8.6)	642	688	(6.7)
Selling expenses	456	489	(6.8)	864	927	(6.8)
Depreciation and amortization	474	483	(1.9)	944	969	(2.6)
Special items, net	-	-	-	70	13	nm
Other	1,640	1,495	9.7	3,175	2,955	7.5
Total operating expenses	12,950	11,892	8.9	25,513	23,644	7.9
Operating income	1,384	2,163	(36.0)	1,391	2,600	(46.5)
Nonoperating income (expense):						
Interest income	128	162	(21.3)	246	288	(14.7)
Interest expense, net	(486)	(548)	(11.3)	(984)	(1,088)	(9.7)
Other income (expense), net	2	(14)	nm ⁽¹⁾	(38)	(21)	86.1
Total nonoperating expense, net	(356)	(400)	(11.0)	(776)	(821)	(5.5)
Income before income taxes	1,028	1,763	(41.7)	615	1,779	(65.4)
Income tax provision	311	425	(26.6)	210	431	(51.2)
Net income	\$ 717	\$ 1,338	(46.4)	\$ 405	\$ 1,348	(70.0)
Earnings per common share:						
Basic	\$ 1.09	\$ 2.05		\$ 0.62	\$ 2.06	
Diluted	\$ 1.01	\$ 1.88		\$ 0.59	\$ 1.91	
Weighted average shares outstanding (in thousands):						
Basic	656,965	653,602		656,406	652,801	
Diluted	720,302	719,345		720,712	718,890	

Note: Percent change may not recalculate due to rounding.

⁽¹⁾ Not meaningful or greater than 100% change.

American Airlines Group Inc.
Consolidated Operating Statistics ⁽¹⁾
(Unaudited)

	3 Months Ended June 30,			6 Months Ended June 30,		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Revenue passenger miles (millions)	65,144	60,020	8.5 %	122,617	112,034	9.4 %
Available seat miles (ASM) (millions)	75,263	69,658	8.0 %	145,779	134,665	8.3 %
Passenger load factor (percent)	86.6	86.2	0.4 pts	84.1	83.2	0.9 pts
Yield (cents)	20.27	21.62	(6.3) %	20.11	21.49	(6.4) %
Passenger revenue per ASM (cents)	17.54	18.63	(5.8) %	16.92	17.88	(5.4) %
Total revenue per ASM (cents)	19.05	20.18	(5.6) %	18.46	19.49	(5.3) %
Cargo ton miles (millions)	515	427	20.6 %	999	849	17.7 %
Cargo yield per ton mile (cents)	37.87	46.31	(18.2) %	38.25	49.51	(22.8) %
Fuel consumption (gallons in millions)	1,132	1,041	8.8 %	2,174	2,006	8.4 %
Average aircraft fuel price including related taxes (dollars per gallon)	2.70	2.62	3.3 %	2.78	2.94	(5.4) %
Operating cost per ASM (cents)	17.21	17.07	0.8 %	17.50	17.56	(0.3) %
Operating cost per ASM excluding net special items (cents)	17.21	17.06	0.8 %	17.45	17.54	(0.5) %
Operating cost per ASM excluding net special items and fuel (cents)	13.14	13.16	(0.1) %	13.31	13.17	1.1 %
Passenger enplanements (thousands)	59,188	54,285	9.0 %	111,954	102,517	9.2 %
Departures (thousands):						
Mainline	306	289	5.9 %	596	564	5.8 %
Regional	243	209	16.2 %	462	411	12.6 %
Total	549	498	10.3 %	1,058	975	8.6 %
Average stage length (miles):						
Mainline	1,154	1,141	1.2 %	1,155	1,132	2.0 %
Regional	457	463	(1.4) %	460	466	(1.1) %
Total	845	856	(1.3) %	852	851	- %
Aircraft at end of period:						
Mainline	970	944	2.8 %	970	944	2.8 %
Regional ⁽²⁾	559	526	6.3 %	559	526	6.3 %
Total	1,529	1,470	4.0 %	1,529	1,470	4.0 %
Full-time equivalent employees at end of period:						
Mainline	107,400	104,400	2.9 %	107,400	104,400	2.9 %
Regional ⁽³⁾	30,000	28,100	6.8 %	30,000	28,100	6.8 %
Total	137,400	132,500	3.7 %	137,400	132,500	3.7 %

Note: Amounts may not recalculate due to rounding.

⁽¹⁾ Unless otherwise noted, operating statistics include mainline and regional operations. Regional includes wholly-owned regional airline subsidiaries and operating results from capacity purchase carriers.

⁽²⁾ Includes aircraft owned and leased by American as well as aircraft operated by third-party regional carriers under capacity purchase agreements. Excluded from the aircraft count above are 65 regional aircraft in temporary storage as of June 30, 2024 as follows: 55 Embraer 145, eight Bombardier CRJ 700, and two Embraer 170.

⁽³⁾ Regional full-time equivalent employees only include our wholly-owned regional airline subsidiaries.

American Airlines Group Inc.
Consolidated Revenue Statistics by Region
(Unaudited)

	3 Months Ended			6 Months Ended		
	June 30,		Increase	June 30,		Increase
	2024	2023	(Decrease)	2024	2023	(Decrease)
<u>Domestic</u> ⁽¹⁾						
Revenue passenger miles (millions)	43,183	39,758	8.6 %	81,994	75,509	8.6 %
Available seat miles (ASM) (millions)	49,613	45,700	8.6 %	96,716	90,255	7.2 %
Passenger load factor (percent)	87.0	87.0	- pts	84.8	83.7	1.1 pts
Passenger revenue (dollars in millions)	9,342	9,195	1.6 %	17,604	17,232	2.2 %
Yield (cents)	21.63	23.13	(6.5) %	21.47	22.82	(5.9) %
Passenger revenue per ASM (cents)	18.83	20.12	(6.4) %	18.20	19.09	(4.7) %
<u>Latin America</u> ⁽²⁾						
Revenue passenger miles (millions)	8,576	7,926	8.2 %	18,672	16,934	10.3 %
Available seat miles (millions)	9,873	9,200	7.3 %	21,611	19,710	9.6 %
Passenger load factor (percent)	86.9	86.2	0.7 pts	86.4	85.9	0.5 pts
Passenger revenue (dollars in millions)	1,562	1,640	(4.8) %	3,464	3,555	(2.6) %
Yield (cents)	18.21	20.69	(12.0) %	18.55	20.99	(11.6) %
Passenger revenue per ASM (cents)	15.82	17.82	(11.2) %	16.03	18.04	(11.1) %
<u>Atlantic</u>						
Revenue passenger miles (millions)	11,527	10,689	7.8 %	17,982	16,510	8.9 %
Available seat miles (millions)	13,629	12,823	6.3 %	22,671	21,065	7.6 %
Passenger load factor (percent)	84.6	83.4	1.2 pts	79.3	78.4	0.9 pts
Passenger revenue (dollars in millions)	2,019	1,888	7.0 %	3,012	2,819	6.8 %
Yield (cents)	17.52	17.66	(0.8) %	16.75	17.07	(1.9) %
Passenger revenue per ASM (cents)	14.82	14.72	0.7 %	13.28	13.38	(0.7) %
<u>Pacific</u>						
Revenue passenger miles (millions)	1,858	1,647	12.9 %	3,969	3,081	28.8 %
Available seat miles (millions)	2,148	1,935	11.0 %	4,781	3,635	31.5 %
Passenger load factor (percent)	86.5	85.1	1.4 pts	83.0	84.8	(1.8) pts
Passenger revenue (dollars in millions)	279	255	9.4 %	581	475	22.4 %
Yield (cents)	15.02	15.50	(3.1) %	14.64	15.40	(5.0) %
Passenger revenue per ASM (cents)	13.00	13.19	(1.4) %	12.15	13.06	(6.9) %
<u>Total International</u>						
Revenue passenger miles (millions)	21,961	20,262	8.4 %	40,623	36,525	11.2 %
Available seat miles (millions)	25,650	23,958	7.1 %	49,063	44,410	10.5 %
Passenger load factor (percent)	85.6	84.6	1.0 pts	82.8	82.2	0.6 pts
Passenger revenue (dollars in millions)	3,860	3,783	2.1 %	7,057	6,849	3.0 %
Yield (cents)	17.58	18.67	(5.8) %	17.37	18.75	(7.4) %
Passenger revenue per ASM (cents)	15.05	15.79	(4.7) %	14.38	15.42	(6.7) %

Note: Amounts may not recalculate due to rounding.

⁽¹⁾ Domestic results include Canada, Puerto Rico and U.S. Virgin Islands.

⁽²⁾ Latin America results include the Caribbean.

Reconciliation of GAAP Financial Information to Non-GAAP Financial Information

American Airlines Group Inc. (the Company) sometimes uses financial measures that are derived from the condensed consolidated financial statements but that are not presented in accordance with GAAP to understand and evaluate its current operating performance and to allow for period-to-period comparisons. The Company believes these non-GAAP financial measures may also provide useful information to investors and others. These non-GAAP measures may not be comparable to similarly titled non-GAAP measures of other companies, and should be considered in addition to, and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with GAAP. The Company is providing a reconciliation of reported non-GAAP financial measures to their comparable financial measures on a GAAP basis.

The tables below present the reconciliations of the following GAAP measures to their non-GAAP measures:

- Operating Income (GAAP measure) to Operating Income Excluding Net Special Items (non-GAAP measure)
- Operating Margin (GAAP measure) to Operating Margin Excluding Net Special Items (non-GAAP measure)
- Pre-Tax Income (GAAP measure) to Pre-Tax Income Excluding Net Special Items (non-GAAP measure)
- Pre-Tax Margin (GAAP measure) to Pre-Tax Margin Excluding Net Special Items (non-GAAP measure)
- Net Income (GAAP measure) to Net Income Excluding Net Special Items (non-GAAP measure)
- Basic and Diluted Earnings Per Share (GAAP measure) to Basic and Diluted Earnings Per Share Excluding Net Special Items (non-GAAP measure)

Management uses these non-GAAP financial measures to evaluate the Company's current operating performance and to allow for period-to-period comparisons. As net special items may vary from period-to-period in nature and amount, the adjustment to exclude net special items allows management an additional tool to understand the Company's core operating performance.

Additionally, the tables below present the reconciliations of total operating costs (GAAP measure) to total operating costs excluding net special items and fuel (non-GAAP measure) and total operating costs per ASM (CASM) to CASM excluding net special items and fuel. Management uses total operating costs excluding net special items and fuel and CASM excluding net special items and fuel to evaluate the Company's current operating performance and for period-to-period comparisons. The price of fuel, over which the Company has no control, impacts the comparability of period-to-period financial performance. The adjustment to exclude fuel and net special items allows management an additional tool to understand and analyze the Company's non-fuel costs and core operating performance.

	3 Months Ended June 30,		Percent Increase (Decrease)	6 Months Ended June 30,		Percent Increase (Decrease)
	2024	2023		2024	2023	
Reconciliation of Operating Income Excluding Net Special Items						
	(in millions)			(in millions)		
Operating income as reported	\$ 1,384	\$ 2,163		\$ 1,391	\$ 2,600	
Operating net special items:						
Mainline operating special items, net ⁽¹⁾	-	-		70	13	
Regional operating special items, net	-	6		-	6	
Operating income excluding net special items	\$ 1,384	\$ 2,169	(36.2%)	\$ 1,461	\$ 2,619	(44.2%)
Calculation of Operating Margin						
Operating income as reported	\$ 1,384	\$ 2,163		\$ 1,391	\$ 2,600	
Total operating revenues as reported	\$ 14,334	\$ 14,055		\$ 26,904	\$ 26,244	
Operating margin	9.7%	15.4%		5.2%	9.9%	
Calculation of Operating Margin Excluding Net Special Items						
Operating income excluding net special items	\$ 1,384	\$ 2,169		\$ 1,461	\$ 2,619	
Total operating revenues as reported	\$ 14,334	\$ 14,055		\$ 26,904	\$ 26,244	
Operating margin excluding net special items	9.7%	15.4%		5.4%	10.0%	
Reconciliation of Pre-Tax Income Excluding Net Special Items						
Pre-tax income as reported	\$ 1,028	\$ 1,763		\$ 615	\$ 1,779	
Pre-tax net special items:						
Mainline operating special items, net ⁽¹⁾	-	-		70	13	
Regional operating special items, net	-	6		-	6	
Nonoperating special items, net ⁽²⁾	12	28		58	45	
Total pre-tax net special items	12	34		128	64	
Pre-tax income excluding net special items	\$ 1,040	\$ 1,797	(42.1%)	\$ 743	\$ 1,843	(59.7%)
Calculation of Pre-Tax Margin						
Pre-tax income as reported	\$ 1,028	\$ 1,763		\$ 615	\$ 1,779	
Total operating revenues as reported	\$ 14,334	\$ 14,055		\$ 26,904	\$ 26,244	
Pre-tax margin	7.2%	12.5%		2.3%	6.8%	
Calculation of Pre-Tax Margin Excluding Net Special Items						
Pre-tax income excluding net special items	\$ 1,040	\$ 1,797		\$ 743	\$ 1,843	
Total operating revenues as reported	\$ 14,334	\$ 14,055		\$ 26,904	\$ 26,244	
Pre-tax margin excluding net special items	7.3%	12.8%		2.8%	7.0%	

Reconciliation of GAAP Financial Information to Non-GAAP Financial Information

	3 Months Ended June 30,		Percent Increase (Decrease)	6 Months Ended June 30,		Percent Increase (Decrease)
	2024	2023		2024	2023	
Reconciliation of Net Income Excluding Net Special Items						
	(in millions, except share and per share amounts)			(in millions, except share and per share amounts)		
Net income as reported	\$ 717	\$ 1,338		\$ 405	\$ 1,348	
Net special items:						
Total pre-tax net special items ^{(1), (2)}	12	34		128	64	
Net tax effect of net special items	45	(1)		15	(8)	
Net income excluding net special items	\$ 774	\$ 1,371	(43.6%)	\$ 548	\$ 1,404	(60.9%)
Reconciliation of Basic and Diluted Earnings Per Share Excluding Net Special Items						
Net income excluding net special items	\$ 774	\$ 1,371		\$ 548	\$ 1,404	
Shares used for computation (in thousands):						
Basic	656,965	653,602		656,406	652,801	
Diluted	720,302	719,345		720,712	718,890	
Earnings per share excluding net special items:						
Basic	\$ 1.18	\$ 2.10		\$ 0.84	\$ 2.15	
Diluted ⁽³⁾	\$ 1.09	\$ 1.92		\$ 0.79	\$ 1.98	
Reconciliation of Total Operating Costs per ASM Excluding Net Special Items and Fuel						
Total operating expenses as reported	\$ 12,950	\$ 11,892		\$ 25,513	\$ 23,644	
Operating net special items:						
Mainline operating special items, net ⁽¹⁾	-	-		(70)	(13)	
Regional operating special items, net	-	(6)		-	(6)	
Total operating expenses excluding net special items	12,950	11,886		25,443	23,625	
Aircraft fuel and related taxes	(3,061)	(2,723)		(6,042)	(5,890)	
Total operating expenses excluding net special items and fuel	\$ 9,889	\$ 9,163		\$ 19,401	\$ 17,735	
	(in cents)			(in cents)		
Total operating expenses per ASM as reported	17.21	17.07		17.50	17.56	
Operating net special items per ASM:						
Mainline operating special items, net ⁽¹⁾	-	-		(0.05)	(0.01)	
Regional operating special items, net	-	(0.01)		-	-	
Total operating expenses per ASM excluding net special items	17.21	17.06		17.45	17.54	
Aircraft fuel and related taxes per ASM	(4.07)	(3.91)		(4.14)	(4.37)	
Total operating expenses per ASM excluding net special items and fuel	13.14	13.16		13.31	13.17	

Note: Amounts may not recalculate due to rounding.

FOOTNOTES:

⁽¹⁾ The 2024 six month period mainline operating special items, net principally included \$57 million of one-time charges resulting from the ratification of a new collective bargaining agreement with our mainline passenger service team members, including a one-time signing bonus.

⁽²⁾ Principally included charges associated with debt refinancings and extinguishments as well as mark-to-market net unrealized gains and losses associated with certain equity investments.

⁽³⁾ The 2024 three and six month period diluted earnings per share gives effect to, among other things, the Company's outstanding 6.5% senior convertible notes by (a) adding back to earnings \$9 million and \$22 million of interest expense, respectively, related to such convertible notes, net of estimated profit sharing and tax effects and (b) including in the diluted shares outstanding, 61.7 million shares issuable in respect to such convertible notes.

The 2023 three and six month period diluted earnings per share gives effect to, among other things, the Company's outstanding 6.5% senior convertible notes by (a) adding back to earnings \$12 million and \$23 million of interest expense, respectively, related to such convertible notes, net of estimated profit sharing, short-term incentive and tax effects and (b) including in the diluted shares outstanding, 61.7 million shares issuable in respect to such convertible notes.

American Airlines Group Inc.
Condensed Consolidated Statements of Cash Flows
(In millions)(Unaudited)

	6 Months Ended June 30,	
	2024	2023
Net cash provided by operating activities	\$ 3,308	\$ 5,096
Cash flows from investing activities:		
Capital expenditures and aircraft purchase deposits	(1,475)	(1,244)
Proceeds from sale-leaseback transactions and sale of property and equipment	353	183
Purchases of short-term investments	(4,714)	(7,587)
Sales of short-term investments	3,881	4,656
Decrease in restricted short-term investments	68	33
Other investing activities	(5)	214
Net cash used in investing activities	(1,892)	(3,745)
Cash flows from financing activities:		
Payments on long-term debt and finance leases	(1,836)	(3,246)
Proceeds from issuance of long-term debt	527	2,143
Other financing activities	(48)	(55)
Net cash used in financing activities	(1,357)	(1,158)
Net increase in cash and restricted cash	59	193
Cash and restricted cash at beginning of period	681	586
⁽¹⁾ Cash and restricted cash at end of period	\$ 740	\$ 779

⁽¹⁾ The following table provides a reconciliation of cash and restricted cash to amounts reported within the condensed consolidated balance sheets:

Cash	\$ 605	\$ 614
Restricted cash included in restricted cash and short-term investments	135	165
Total cash and restricted cash	\$ 740	\$ 779

Free Cash Flow

The Company's free cash flow summary is presented in the table below, which is a non-GAAP measure that management believes is useful information to investors and others in evaluating the Company's ability to generate cash from its core operating performance that is available for use to reinvest in the business or to reduce debt. The Company defines free cash flows as net cash provided by operating activities less net cash used in investing activities, adjusted for (1) net purchases of short-term investments and (2) change in restricted cash. We believe that calculating free cash flow as adjusted for these items is more useful for investors because short-term investment activity and restricted cash are not representative of activity core to our operations.

This non-GAAP measure may not be comparable to similarly titled non-GAAP measures of other companies, and should be considered in addition to, and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with GAAP. Our calculation of free cash flow is not intended, and should not be used, to measure the residual cash flow available for discretionary expenditures because, among other things, it excludes mandatory debt service requirements and certain other non-discretionary expenditures.

	<u>6 Months Ended</u> <u>June 30, 2024</u> (in millions)
Net cash provided by operating activities	\$ 3,308
Adjusted net cash used in investing activities ⁽¹⁾	<u>(1,091)</u>
Free cash flow	<u>\$ 2,217</u>

⁽¹⁾ The following table provides a reconciliation of adjusted net cash used in investing activities for the six months ended June 30, 2024 (in millions):

Net cash used in investing activities	\$ (1,892)
Adjustments:	
Net purchases of short-term investments	833
Increase in restricted cash	<u>(32)</u>
Adjusted net cash used in investing activities	<u>\$ (1,091)</u>

American Airlines Group Inc.
Condensed Consolidated Balance Sheets
(In millions, except shares)

	<u>June 30, 2024</u> (unaudited)	<u>December 31, 2023</u>
Assets		
Current assets		
Cash	\$ 605	\$ 578
Short-term investments	7,841	7,000
Restricted cash and short-term investments	875	910
Accounts receivable, net	2,067	2,026
Aircraft fuel, spare parts and supplies, net	2,575	2,400
Prepaid expenses and other	832	658
Total current assets	<u>14,795</u>	<u>13,572</u>
Operating property and equipment		
Flight equipment	42,752	41,794
Ground property and equipment	10,198	10,307
Equipment purchase deposits	1,052	760
Total property and equipment, at cost	54,002	52,861
Less accumulated depreciation and amortization	<u>(22,958)</u>	<u>(22,097)</u>
Total property and equipment, net	31,044	30,764
Operating lease right-of-use assets	7,873	7,939
Other assets		
Goodwill	4,091	4,091
Intangibles, net	2,047	2,051
Deferred tax asset	2,668	2,888
Other assets	1,607	1,753
Total other assets	<u>10,413</u>	<u>10,783</u>
Total assets	<u>\$ 64,125</u>	<u>\$ 63,058</u>
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities		
Current maturities of long-term debt and finance leases	\$ 4,120	\$ 3,632
Accounts payable	3,016	2,353
Accrued salaries and wages	1,767	2,377
Air traffic liability	8,030	6,200
Loyalty program liability	3,619	3,453
Operating lease liabilities	1,209	1,309
Other accrued liabilities	2,849	2,738
Total current liabilities	<u>24,610</u>	<u>22,062</u>
Noncurrent liabilities		
Long-term debt and finance leases, net of current maturities	27,636	29,270
Pension and postretirement benefits	2,652	3,044
Loyalty program liability	6,031	5,874
Operating lease liabilities	6,482	6,452
Other liabilities	1,460	1,558
Total noncurrent liabilities	<u>44,261</u>	<u>46,198</u>
Stockholders' equity (deficit)		
Common stock, 656,607,802 shares outstanding at June 30, 2024	7	7
Additional paid-in capital	7,389	7,374
Accumulated other comprehensive loss	(4,858)	(4,894)
Retained deficit	<u>(7,284)</u>	<u>(7,689)</u>
Total stockholders' deficit	<u>(4,746)</u>	<u>(5,202)</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 64,125</u>	<u>\$ 63,058</u>