

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

	3 Months Ended December 31,			12 Months Ended December 31,		
	2019	2018	Percent Change	2019	2018	Percent Change
<b>Operating revenues:</b>						
Passenger	\$ 10,347	\$ 9,962	3.9	\$ 42,010	\$ 40,676	3.3
Cargo	216	264	(18.3)	863	1,013	(14.8)
Other	<u>750</u>	<u>712</u>	5.4	<u>2,895</u>	<u>2,852</u>	1.5
Total operating revenues	11,313	10,938	3.4	45,768	44,541	2.8
<b>Operating expenses:</b>						
Aircraft fuel and related taxes	1,816	1,953	(7.0)	7,526	8,053	(6.5)
Salaries, wages and benefits	3,100	3,007	3.0	12,609	12,251	2.9
<b>Regional expenses:</b>						
Fuel	475	474	0.2	1,869	1,843	1.4
Depreciation and amortization	90	77	15.9	336	318	5.5
Other	1,355	1,259	7.7	5,296	4,972	6.5
Maintenance, materials and repairs	635	550	15.3	2,380	2,050	16.1
Other rent and landing fees	487	437	11.6	2,055	1,900	8.2
Aircraft rent	330	326	1.4	1,326	1,264	4.9
Selling expenses	407	383	6.2	1,602	1,520	5.4
Depreciation and amortization	513	474	8.4	1,982	1,839	7.7
Special items, net	147	173	(14.5)	635	787	(19.4)
Other	<u>1,229</u>	<u>1,254</u>	(2.0)	<u>5,087</u>	<u>5,088</u>	-
Total operating expenses	<u>10,584</u>	<u>10,367</u>	2.1	<u>42,703</u>	<u>41,885</u>	2.0
Operating income	729	571	27.6	3,065	2,656	15.4
<b>Nonoperating income (expense):</b>						
Interest income	24	34	(29.4)	127	118	7.1
Interest expense, net	(265)	(270)	(1.0)	(1,095)	(1,056)	3.7
Other income, net	<u>83</u>	<u>59</u>	43.5	<u>159</u>	<u>166</u>	(3.8)
Total nonoperating expense, net	<u>(158)</u>	<u>(177)</u>	(10.2)	<u>(809)</u>	<u>(772)</u>	4.8
Income before income taxes	571	394	44.4	2,256	1,884	19.7
Income tax provision	<u>157</u>	<u>69</u>	nm	<u>570</u>	<u>472</u>	20.7
Net income	<u>\$ 414</u>	<u>\$ 325</u>	27.5	<u>\$ 1,686</u>	<u>\$ 1,412</u>	19.4
<b>Earnings per common share:</b>						
Basic	<u>\$ 0.95</u>	<u>\$ 0.71</u>		<u>\$ 3.80</u>	<u>\$ 3.04</u>	
Diluted	<u>\$ 0.95</u>	<u>\$ 0.70</u>		<u>\$ 3.79</u>	<u>\$ 3.03</u>	
<b>Weighted average shares outstanding (in thousands):</b>						
Basic	<u>434,578</u>	<u>460,589</u>		<u>443,363</u>	<u>464,236</u>	
Diluted	<u>435,659</u>	<u>461,915</u>		<u>444,269</u>	<u>465,660</u>	

**Note: Percent change may not recalculate due to rounding.**

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

	3 Months Ended December 31,			12 Months Ended December 31,		
	2019	2018	Change	2019	2018	Change
<b>Mainline</b>						
Revenue passenger miles (millions)	51,675	49,143	5.2 %	212,859	205,451	3.6 %
Available seat miles (ASM) (millions)	60,985	59,852	1.9 %	248,833	248,562	0.1 %
Passenger load factor (percent)	84.7	82.1	2.6 pts	85.5	82.7	2.8 pts
Passenger enplanements (thousands)	38,757	36,581	5.9 %	155,821	148,228	5.1 %
Departures (thousands)	279	273	2.3 %	1,115	1,098	1.6 %
Aircraft at end of period	942	956	(1.5) %	942	956	(1.5) %
Block hours (thousands)	847	846	0.1 %	3,456	3,493	(1.1) %
Average stage length (miles)	1,177	1,198	(1.8) %	1,202	1,236	(2.7) %
Fuel consumption (gallons in millions)	895	877	2.0 %	3,667	3,644	0.6 %
Average aircraft fuel price including related taxes (dollars per gallon)	2.03	2.23	(8.9) %	2.05	2.21	(7.1) %
Full-time equivalent employees at end of period	104,200	102,900	1.3 %	104,200	102,900	1.3 %
<b>Regional <sup>(1)</sup></b>						
Revenue passenger miles (millions)	7,242	6,427	12.7 %	28,393	25,709	10.4 %
Available seat miles (millions)	9,287	8,446	10.0 %	36,255	33,492	8.3 %
Passenger load factor (percent)	78.0	76.1	1.9 pts	78.3	76.8	1.5 pts
Passenger enplanements (thousands)	15,096	13,902	8.6 %	59,361	55,517	6.9 %
Aircraft at end of period	605	595	1.7 %	605	595	1.7 %
Fuel consumption (gallons in millions)	222	203	9.3 %	870	803	8.3 %
Average aircraft fuel price including related taxes (dollars per gallon)	2.14	2.34	(8.4) %	2.15	2.30	(6.4) %
Full-time equivalent employees at end of period <sup>(2)</sup>	29,500	26,000	13.5 %	29,500	26,000	13.5 %
<b>Total Mainline &amp; Regional</b>						
Revenue passenger miles (millions)	58,917	55,570	6.0 %	241,252	231,160	4.4 %
Available seat miles (millions)	70,272	68,298	2.9 %	285,088	282,054	1.1 %
Passenger load factor (percent)	83.8	81.4	2.4 pts	84.6	82.0	2.6 pts
Yield (cents)	17.56	17.93	(2.0) %	17.41	17.60	(1.0) %
Passenger revenue per ASM (cents)	14.72	14.59	0.9 %	14.74	14.42	2.2 %
Total revenue per ASM (cents)	16.10	16.02	0.5 %	16.05	15.79	1.7 %
Cargo ton miles (millions)	599	710	(15.6) %	2,489	2,908	(14.4) %
Cargo yield per ton mile (cents)	36.03	37.25	(3.3) %	34.67	34.81	(0.4) %
Passenger enplanements (thousands)	53,853	50,483	6.7 %	215,182	203,745	5.6 %
Aircraft at end of period <sup>(3)</sup>	1,547	1,551	(0.3) %	1,547	1,551	(0.3) %
Fuel consumption (gallons in millions)	1,117	1,080	3.4 %	4,537	4,447	2.0 %
Average aircraft fuel price including related taxes (dollars per gallon)	2.05	2.25	(8.7) %	2.07	2.23	(6.9) %
Full-time equivalent employees at end of period	133,700	128,900	3.7 %	133,700	128,900	3.7 %
Operating cost per ASM (cents)	15.06	15.18	(0.8) %	14.98	14.85	0.9 %
Operating cost per ASM excluding net special items (cents)	14.85	14.92	(0.5) %	14.75	14.57	1.3 %
Operating cost per ASM excluding net special items and fuel (cents)	11.59	11.37	2.0 %	11.46	11.06	3.6 %

<sup>(1)</sup> Regional includes wholly-owned regional airline subsidiaries and operating results from capacity purchase carriers.

<sup>(2)</sup> Regional full-time equivalent employees only include our wholly-owned regional airline subsidiaries.

<sup>(3)</sup> Includes aircraft owned and leased by American as well as aircraft operated by third-party regional carriers under capacity purchase agreements. Excludes 12 Embraer 140 regional aircraft that are in temporary storage.

**Note: Amounts may not recalculate due to rounding.**

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

	3 Months Ended December 31,			12 Months Ended December 31,		
	2019	2018	Change	2019	2018	Change
<b>Domestic <sup>(1)</sup></b>						
Revenue passenger miles (millions)	40,436	38,096	6.1 %	161,580	154,746	4.4 %
Available seat miles (ASM) (millions)	48,068	45,932	4.7 %	189,221	184,901	2.3 %
Passenger load factor (percent)	84.1	82.9	1.2 pts	85.4	83.7	1.7 pts
Passenger revenue (dollars in millions)	7,833	7,502	4.4 %	30,881	29,573	4.4 %
Yield (cents)	19.37	19.69	(1.6) %	19.11	19.11	- %
Passenger revenue per ASM (cents)	16.30	16.33	(0.2) %	16.32	15.99	2.0 %
<b>Latin America <sup>(2)</sup></b>						
Revenue passenger miles (millions)	7,235	7,229	0.1 %	31,029	30,628	1.3 %
Available seat miles (millions)	8,476	9,085	(6.7) %	36,653	38,493	(4.8) %
Passenger load factor (percent)	85.4	79.6	5.8 pts	84.7	79.6	5.1 pts
Passenger revenue (dollars in millions)	1,218	1,186	2.6 %	5,047	5,125	(1.5) %
Yield (cents)	16.83	16.41	2.6 %	16.27	16.73	(2.8) %
Passenger revenue per ASM (cents)	14.37	13.06	10.0 %	13.77	13.31	3.4 %
<b>Atlantic</b>						
Revenue passenger miles (millions)	7,639	6,652	14.8 %	34,152	30,282	12.8 %
Available seat miles (millions)	9,372	8,624	8.7 %	42,010	39,178	7.2 %
Passenger load factor (percent)	81.5	77.1	4.4 pts	81.3	77.3	4.0 pts
Passenger revenue (dollars in millions)	947	905	4.6 %	4,624	4,376	5.7 %
Yield (cents)	12.40	13.61	(8.9) %	13.54	14.45	(6.3) %
Passenger revenue per ASM (cents)	10.11	10.50	(3.7) %	11.01	11.17	(1.5) %
<b>Pacific</b>						
Revenue passenger miles (millions)	3,607	3,593	0.4 %	14,491	15,504	(6.5) %
Available seat miles (millions)	4,356	4,657	(6.5) %	17,204	19,482	(11.7) %
Passenger load factor (percent)	82.8	77.1	5.7 pts	84.2	79.6	4.6 pts
Passenger revenue (dollars in millions)	349	369	(5.3) %	1,458	1,602	(9.0) %
Yield (cents)	9.68	10.26	(5.7) %	10.06	10.33	(2.6) %
Passenger revenue per ASM (cents)	8.02	7.92	1.3 %	8.47	8.22	3.1 %
<b>Total International</b>						
Revenue passenger miles (millions)	18,481	17,474	5.8 %	79,672	76,414	4.3 %
Available seat miles (millions)	22,204	22,366	(0.7) %	95,867	97,153	(1.3) %
Passenger load factor (percent)	83.2	78.1	5.1 pts	83.1	78.7	4.4 pts
Passenger revenue (dollars in millions)	2,514	2,460	2.2 %	11,129	11,103	0.2 %
Yield (cents)	13.60	14.08	(3.4) %	13.97	14.53	(3.9) %
Passenger revenue per ASM (cents)	11.32	11.00	2.9 %	11.61	11.43	1.6 %

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

<sup>(2)</sup> Latin America results include the Caribbean.

**Note: Amounts may not recalculate due to rounding.**

## 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:

- 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)
- Operating Income (GAAP measure) to Operating Income 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). Management uses total operating costs 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 aircraft fuel and net special items allows management an additional tool to understand and analyze the company's non-fuel costs and core operating performance.

Reconciliation of Pre-Tax Income Excluding Net Special Items	3 Months Ended December 31,		Percent Change	12 Months Ended December 31,		Percent Change
	2019	2018		2019	2018	
	(in millions, except per share amounts)			(in millions, except per share amounts)		
Pre-tax income as reported	\$ 571	\$ 394		\$ 2,256	\$ 1,884	
Pre-tax net special items:						
Mainline operating special items, net <sup>(1)</sup>	147	173		635	787	
Regional operating special items, net	-	5		6	6	
Nonoperating special items, net <sup>(2)</sup>	(39)	17		3	113	
Total pre-tax net special items	108	195		644	906	
Pre-tax income excluding net special items	\$ 679	\$ 589	15.1%	\$ 2,900	\$ 2,790	3.9%
<b>Calculation of Pre-Tax Margin</b>						
Pre-tax income as reported	\$ 571	\$ 394		\$ 2,256	\$ 1,884	
Total operating revenues as reported	\$ 11,313	\$ 10,938		\$ 45,768	\$ 44,541	
Pre-tax margin	5.0%	3.6%		4.9%	4.2%	
<b>Calculation of Pre-Tax Margin Excluding Net Special Items</b>						
Pre-tax income excluding net special items	\$ 679	\$ 589		\$ 2,900	\$ 2,790	
Total operating revenues as reported	\$ 11,313	\$ 10,938		\$ 45,768	\$ 44,541	
Pre-tax margin excluding net special items	6.0%	5.4%		6.3%	6.3%	
<b>Reconciliation of Net Income Excluding Net Special Items</b>						
Net income as reported	\$ 414	\$ 325		\$ 1,686	\$ 1,412	
Net special items:						
Total pre-tax net special items <sup>(1), (2)</sup>	108	195		644	906	
Income tax special items, net <sup>(3)</sup>	-	(22)		-	18	
Net tax effect of net special items	(20)	(50)		(151)	(219)	
Net income excluding net special items	\$ 502	\$ 448	12.2%	\$ 2,179	\$ 2,117	2.9%
<b>Reconciliation of Basic and Diluted Earnings Per Share Excluding Net Special Items</b>						
Net income excluding net special items	\$ 502	\$ 448		\$ 2,179	\$ 2,117	
Shares used for computation (in thousands):						
Basic	434,578	460,589		443,363	464,236	
Diluted	435,659	461,915		444,269	465,660	
Earnings per share excluding net special items:						
Basic	\$ 1.15	\$ 0.97		\$ 4.91	\$ 4.56	
Diluted	\$ 1.15	\$ 0.97		\$ 4.90	\$ 4.55	

**Reconciliation of GAAP Financial Information to Non-GAAP Financial Information**

	3 Months Ended December 31,		12 Months Ended December 31,	
	2019	2018	2019	2018
	(in millions)		(in millions)	
<b>Reconciliation of Operating Income Excluding Net Special Items</b>				
Operating income as reported	\$ 729	\$ 571	\$ 3,065	\$ 2,656
Operating net special items:				
Mainline operating special items, net <sup>(1)</sup>	147	173	635	787
Regional operating special items, net	-	5	6	6
Operating income excluding net special items	\$ 876	\$ 749	\$ 3,706	\$ 3,449
<b>Reconciliation of Total Operating Cost per ASM Excluding Net Special Items and Fuel</b>				
Total operating expenses as reported	\$ 10,584	\$ 10,367	\$ 42,703	\$ 41,885
Operating net special items:				
Mainline operating special items, net <sup>(1)</sup>	(147)	(173)	(635)	(787)
Regional operating special items, net	-	(5)	(6)	(6)
Total operating expenses, excluding net special items	10,437	10,189	42,062	41,092
Fuel:				
Aircraft fuel and related taxes - mainline	(1,816)	(1,953)	(7,526)	(8,053)
Aircraft fuel and related taxes - regional	(475)	(474)	(1,869)	(1,843)
Total operating expenses, excluding net special items and fuel	\$ 8,146	\$ 7,762	\$ 32,667	\$ 31,196
	(in cents)		(in cents)	
Total operating expenses per ASM as reported	15.06	15.18	14.98	14.85
Operating net special items per ASM:				
Mainline operating special items, net <sup>(1)</sup>	(0.21)	(0.25)	(0.22)	(0.28)
Regional operating special items, net	-	(0.01)	-	-
Total operating expenses per ASM, excluding net special items	14.85	14.92	14.75	14.57
Fuel per ASM:				
Aircraft fuel and related taxes - mainline	(2.58)	(2.86)	(2.64)	(2.86)
Aircraft fuel and related taxes - regional	(0.68)	(0.69)	(0.66)	(0.65)
Total operating expenses per ASM, excluding net special items and fuel	11.59	11.37	11.46	11.06

Note: Amounts may not recalculate due to rounding.

**FOOTNOTES:**

<sup>(1)</sup> The 2019 fourth quarter mainline operating special items, net principally included \$85 million of merger integration expenses and \$39 million of fleet restructuring expenses. The 2019 twelve month period mainline operating special items, net principally included \$271 million of fleet restructuring expenses, a \$213 million non-cash impairment charge principally related to the planned retirement of the company's Embraer E190 fleet and \$191 million of merger integration expenses, offset in part by a \$53 million credit to reduce certain litigation reserves.

The 2018 fourth quarter mainline operating special items, net principally included \$94 million of fleet restructuring expenses, \$81 million of merger integration expenses, \$37 million in severance costs associated with reductions of management and support staff team members, offset in part by a \$37 million net credit resulting from mark-to-market adjustments on bankruptcy obligations. The 2018 twelve month period mainline operating special items, net principally included \$422 million of fleet restructuring expenses, \$268 million of merger integration expenses, \$58 million in severance costs as described above, a \$45 million litigation settlement, a \$26 million non-cash charge to write off the company's Brazil route authority intangible asset as a result of the U.S.-Brazil open skies agreement, offset in part by a \$76 million net credit resulting from mark-to-market adjustments on bankruptcy obligations.

Fleet restructuring expenses principally included accelerated depreciation and rent expense for aircraft and related equipment grounded or expected to be grounded earlier than planned. Merger integration expenses included costs associated with integration projects, principally the company's technical operations, flight attendant, human resources and payroll systems.

<sup>(2)</sup> Principally included mark-to-market net unrealized gains and losses associated with certain equity and other investments.

<sup>(3)</sup> The 2018 fourth quarter income tax special credit of \$22 million was the result of the reversal of the valuation allowance previously recognized in the 2018 first quarter related to the company's estimated refund for Alternative Minimum Tax (AMT) credits, which was no longer subject to sequestration. The 2018 twelve month period income tax special charge of \$18 million is related to an international income tax matter.

**American Airlines Group Inc.**  
**Condensed Consolidated Balance Sheets**  
(In millions)

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
	(unaudited)	
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 280	\$ 275
Short-term investments	3,546	4,485
Restricted cash and short-term investments	158	154
Accounts receivable, net	1,750	1,706
Aircraft fuel, spare parts and supplies, net	1,851	1,522
Prepaid expenses and other	<u>621</u>	<u>495</u>
Total current assets	8,206	8,637
<b>Operating property and equipment</b>		
Flight equipment	42,537	41,499
Ground property and equipment	9,443	8,764
Equipment purchase deposits	<u>1,674</u>	<u>1,278</u>
Total property and equipment, at cost	53,654	51,541
Less accumulated depreciation and amortization	<u>(18,659)</u>	<u>(17,443)</u>
Total property and equipment, net	34,995	34,098
Operating lease right-of-use assets	8,737	9,151
<b>Other assets</b>		
Goodwill	4,091	4,091
Intangibles, net	2,084	2,137
Deferred tax asset	645	1,145
Other assets	<u>1,237</u>	<u>1,321</u>
Total other assets	<u>8,057</u>	<u>8,694</u>
<b>Total assets</b>	<u><u>\$ 59,995</u></u>	<u><u>\$ 60,580</u></u>
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
<b>Current liabilities</b>		
Current maturities of long-term debt and finance leases	\$ 2,861	\$ 3,294
Accounts payable	2,062	1,773
Accrued salaries and wages	1,541	1,427
Air traffic liability	4,808	4,339
Loyalty program liability	3,193	3,267
Operating lease liabilities	1,708	1,654
Other accrued liabilities	<u>2,138</u>	<u>2,342</u>
Total current liabilities	18,311	18,096
<b>Noncurrent liabilities</b>		
Long-term debt and finance leases, net of current maturities	21,454	21,179
Pension and postretirement benefits	6,052	6,907
Loyalty program liability	5,422	5,272
Operating lease liabilities	7,421	7,902
Other liabilities	<u>1,453</u>	<u>1,393</u>
Total noncurrent liabilities	41,802	42,653
<b>Stockholders' equity (deficit)</b>		
Common stock	4	5
Additional paid-in capital	3,945	4,964
Accumulated other comprehensive loss	(6,331)	(5,896)
Retained earnings	<u>2,264</u>	<u>758</u>
Total stockholders' deficit	<u>(118)</u>	<u>(169)</u>
<b>Total liabilities and stockholders' equity (deficit)</b>	<u><u>\$ 59,995</u></u>	<u><u>\$ 60,580</u></u>