

# 3Q 2021 Financial Results

## A. Operating Revenues

 <b>\$8.0B</b>	+	 <b>\$332M</b>	+	 <b>\$680M</b>	<b>\$9.0B</b>
<b>1. Passenger revenue</b> Revenue from air transportation, as well as revenue associated with AAdvantage mileage credit redemptions and ancillary fees					<b>A. Total Operating Revenues</b>
<b>2. Cargo revenue</b> Revenue from transporting mail and freight					
<b>3. Other revenue</b> Includes the AAdvantage affinity card program and other partners and airport lounges					

## B. Operating Expenses

 <b>\$3.0B</b>	+	 <b>\$2.0B</b>	+	 <b>\$887M</b>	+	 <b>\$548M</b>	+	 <b>\$694M</b>	<b>\$8.4B</b>	
<b>4. Salaries, wages and benefits</b> Pay and benefits										<b>B. Total Operating Expenses</b>
<b>5. Fuel and related taxes</b> Jet fuel and associated taxes										
<b>6. Regional expenses</b> Cost of regional carriers and a \$128 million special credit for the Payroll Support Program (PSP) financial assistance offset by a \$61 million charge for the regional pilot retention program										
<b>7. Maintenance expenses</b> The cost to maintain our fleet										
<b>8. Other rent and landing fees</b> Rent for airport facilities and landing fees										
+	 <b>\$480M</b>	+	 <b>\$318M</b>	+	 <b>\$358M</b>	+	 <b>-\$990M</b>	+	 <b>\$1.1B</b>	<b>\$595M</b>
<b>9. Depreciation and amortization</b> The cost of using aircraft, spare parts and ground equipment that is expensed over the life of the asset										
<b>10. Selling expenses</b> Credit card fees, global distribution system fees, commissions and advertising										
<b>11. Aircraft rent</b> The cost of leasing aircraft										
<b>12. Special items, net</b> Includes a credit principally for PSP financial assistance										
<b>13. Other expenses</b> Includes costs such as crew hotels, catering and ground handling										

## C. Total Operating Income (A - B)

<b>D. Total Nonoperating Expense, Net</b> Includes items such as interest expense and income, pension and other post-retirement benefit plan income and costs. Also includes \$18 million in net special charges primarily related to mark-to-market net unrealized losses associated with certain equity investments.	<b>-\$389M</b>
<b>E. Pre-tax Income (C + D)</b>	<b>\$206M</b>
<b>*F. Subtract: Total Pre-tax Net Special Items</b> Includes \$990 million of mainline operating net special credits (No. 12), \$67 million of regional operating net special credits (No. 6) and \$18 million of non-operating net special charges (D).	<b>\$1.0B</b>
<b>*G. Pre-tax Loss, Excluding Net Special Items (E + F)</b>	<b>-\$833M</b>
<b>*H. Income Tax Benefit (G x 22%)</b> We recorded a benefit for income taxes at an effective rate of approximately 22%, which was substantially noncash.	<b>\$192M</b>
<b>*I. Net Loss, Excluding Net Special Items (G + H)</b>	<b>-\$641M</b>

(or -\$0.99 per diluted share)

## J. GAAP Net Income

**\$169M<sup>1</sup>**

(or \$0.25 per diluted share)

\*We use pre-tax loss and net loss excluding net special items (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. We believe 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.

Note: Amounts may not recalculate due to rounding.

### <sup>1</sup>Reconciliation to GAAP Net Income:

E. Pre-tax Income	\$206M
K. Income Tax Provision	\$37M
J. GAAP Net Income (E - K)	<b>\$169M</b>