

NEWS RELEASE

# American Airlines Reports Fourth-Quarter and Full-Year 2021 Financial Results

1/20/2022

FORT WORTH, Texas — American Airlines Group Inc. (NASDAQ: AAL) today reported its fourth-quarter and full-year 2021 financial results, including: Fourth-quarter revenue of \$9.4 billion, down 17% versus the same period in 2019 on a 13% reduction in total available seat miles (ASMs) versus the same period in 2019.

FORT WORTH, Texas — American Airlines Group Inc. (NASDAQ: AAL) today reported its fourth-quarter and full-year 2021 financial results, including:

- Fourth-quarter revenue of \$9.4 billion, down 17% versus the same period in 2019 on a 13% reduction in total available seat miles (ASMs) versus the same period in 2019.
- Fourth-quarter net loss of \$931 million, or (\$1.44) per share. Excluding net special items<sup>1</sup>, fourth-quarter net loss was \$921 million, or (\$1.42) per share.
- Full-year net loss of \$2.0 billion, or (\$3.09) per share. Excluding net special items<sup>2</sup>, full-year net loss was \$5.4 billion, or (\$8.38) per share.
- Safely transported more than 165 million passengers in 2021, more than any other U.S. carrier.
- Ended the fourth quarter with \$15.8 billion of total available liquidity, the highest year-end liquidity balance in company history.

“As we close out the second year of operating in a global pandemic, we are incredibly proud of the American Airlines team,” said American’s Chairman and CEO Doug Parker. “Over the past year, we have experienced periods of high travel demand countered by periods of decreased demand due to new COVID-19

## 4Q 2021 Financial Results

variants. This volatility has created the most challenging planning environment in the history of commercial aviation. Yet the American team has delivered, growing back faster and further than any other U.S. airline to meet this unpredictable demand. Looking ahead, I'm excited about the future of American with Robert Isom as its new CEO. While we still have work to do as the recovery from the pandemic continues, I have no doubt the best is yet to come for American."

For the full-year 2021, American achieved its best performance in on-time arrivals, on-time departures and completion factor since the pandemic, despite flying significantly more than any other airline. American's relative operating performance was particularly strong during the important year-end holiday period. The company's on-time performance in December was better than any December in years prior to the pandemic, and American performed better than its primary competitors in these operational metrics during the month. These results were achieved despite an increase in sick calls toward the end of the year due to the omicron variant.

"We're very proud of the way our team delivered throughout 2021," said American's President and incoming CEO Robert Isom. "Looking forward, our focus in 2022 will be to continue running a reliable airline, returning to profitability, and delivering on our long-term plan to deleverage the balance sheet."

American is committed to strengthening its business and achieving profitability by focusing on its three strategic objectives: Create a world-class customer experience, make culture a competitive advantage and build American to thrive forever.

TO CREATE A WORLD-CLASS  
CUSTOMER EXPERIENCE,  
AMERICAN:

- Expanded its Northeast Alliance (NEA) with JetBlue to provide members of the AAdvantage® and TrueBlue Mosaic loyalty programs with reciprocal elite benefits when traveling on either airline. Customers will experience even more benefits from the NEA this year, including the most flight choices in dozens of markets from New York and Boston, lie-flat seats on all transcontinental routes and a robust international network.
- Introduced a redesign of the AAdvantage loyalty program, effective in 2022, that removes complicated elite qualifying metrics in favor of an easy-to-understand point system that provides members with multiple ways

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to earn status. Starting this year, AAdvantage members can earn status by flying, using an AAdvantage credit card for purchases, or spending with an AAdvantage partner.

- Announced plans to build a new 15,000+-square-foot Admirals Club in Austin, Texas (AUS). The lounge will seat more than 250 customers, making it the largest airport lounge in Austin. Construction will begin this year.
- Was recognized with the prestigious Five Star rating in The APEX Official Airline Ratings™, Global Airline category, for the fourth consecutive year. The award is based on customer feedback on the overall travel experience.
- Announced new service between New York's John F. Kennedy International Airport (JFK) and Doha, Qatar (DOH), which will launch this summer as part of its deepening relationship with Qatar Airways.

#### TO MAKE CULTURE A COMPETITIVE ADVANTAGE, AMERICAN:

- Celebrated the opening of its Robert L. Crandall Campus in Fort Worth, Texas. Team members from across the system attended with their families and friends and joined a ribbon-cutting ceremony with American's retired Chairman and CEO Bob Crandall.
- Welcomed its first flight attendant graduating class since the start of the pandemic. These new flight attendants waited more than 600 days to officially join the airline.
- Worked to ensure its team members are vaccinated against COVID-19. More than 97% of American's team members have submitted proof of vaccination or a request for a medical or religious accommodation.

#### TO BUILD AMERICAN TO THRIVE FOREVER, AMERICAN:

- Announced its leadership succession plan in early December. Doug Parker will retire as CEO of American on March 31 and will be succeeded by current President Robert Isom. Isom will join American's board of directors on the same date, and Parker will continue to serve as chairman of the board. American also announced the senior leadership team that will report to Isom when he becomes CEO.
- Ended the fourth quarter with \$15.8 billion of total available liquidity.
- Was included in the Dow Jones Sustainability North America Index for the first time, the only passenger airline to be included. The recognition is a testament to the airline's ongoing commitment to excellence in Environmental, Social and Governance (ESG) matters, including reducing carbon emissions from its operations; advancing diversity, equity and inclusion; and providing regular and transparent ESG disclosures.
- Finalized a new sustainable aviation fuel (SAF) offtake agreement with Aemetis. The agreement brings the airline's total SAF commitment to more than 120 million gallons over the next decade, a signal of the integral role SAF will play in American's efforts to reduce its carbon emissions and achieve its ambitious sustainability

goals.

- Announced that its board of directors has adopted a tax benefit preservation plan to help preserve the value of its net operating losses and other tax attributes. The company estimates that it has \$17.2 billion in cumulative U.S. federal net operating loss carryforwards, which are available to reduce future U.S. corporate income tax liabilities.

#### GUIDANCE AND INVESTOR UPDATE

American will continue to match its forward capacity with observed bookings trends. Based on current trends, the company expects its first-quarter capacity to be down approximately 8% to 10% compared to the first quarter of 2019. American expects its first-quarter total revenue to be down approximately 20% to 22% versus the first quarter of 2019.

For additional financial forecasting detail, please refer to the company's investor update, filed with this press release with the SEC on Form 8-K. This filing will also be available at [aa.com/investorrelations](https://aa.com/investorrelations).

#### CONFERENCE CALL AND WEBCAST DETAILS

The company will conduct a live audio webcast of its financial results conference call at 7:30 a.m. CST today. The call will be available to the public on a listen-only basis at [aa.com/investorrelations](https://aa.com/investorrelations). An archive of the webcast will be available on the website through at least Feb. 20.

#### NOTES

See the accompanying notes in the Financial Tables section of this press release for further explanation, including a reconciliation of all GAAP to non-GAAP financial information.

<sup>1</sup>The company recognized approximately \$9 million of pre-tax net special items in the fourth quarter of 2021, which principally included \$29 million of nonoperating special items primarily for mark-to-market net unrealized losses associated with certain equity investments, offset in part by \$20 million of mainline operating net special credits.

<sup>2</sup>The company recognized \$4.4 billion of pre-tax net special items in 2021. Mainline operating special items, net principally included \$4.2 billion of Payroll Support Program (PSP) financial assistance, offset in part by \$168 million of salary and medical costs primarily associated with certain team members who opted into voluntary early

retirement programs offered as a result of reductions to the company's operation due to the COVID-19 pandemic. Regional operating special items, net principally included \$539 million of PSP financial assistance, offset in part by a \$61 million charge associated with the regional pilot retention program which provides for, among other things, a cash retention bonus paid in the fourth quarter of 2021 to eligible captains at the wholly-owned regional airlines included on the pilot seniority list as of September 1, 2021 and a \$27 million non-cash charge to write down regional aircraft resulting from the retirement of the remaining Embraer 140 fleet earlier than planned. The company also recognized \$60 million of nonoperating net special items, which principally included mark-to-market net unrealized losses associated with certain equity investments and treasury rate lock derivative instruments as well as non-cash charges associated with debt refinancings and extinguishments.

#### Financial results

Click the button below to download the fourth-quarter and full-year 2021 financial results.

**[View the PDF](#)**

### About American Airlines Group

American's purpose is to care for people on life's journey. Shares of American Airlines Group Inc. trade on Nasdaq under the ticker symbol AAL and the company's stock is included in the S&P 500. Learn more about what's happening at American by visiting **[news.aa.com](https://news.aa.com)** and connect with American on Twitter **[@AmericanAir](https://twitter.com/AmericanAir)** and at **[Facebook.com/AmericanAirlines](https://Facebook.com/AmericanAirlines)**.

### Cautionary Statement Regarding Forward-Looking Statements and Information

Certain of the statements contained in this report should be considered forward-looking statements within the meaning of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as "may," "will," "expect," "intend," "anticipate," "believe," "estimate," "plan," "project," "could," "should," "would," "continue," "seek," "target," "guidance," "outlook," "if current trends continue," "optimistic," "forecast" and other similar words. Such statements include, but are not limited to, statements about the company's plans, objectives, expectations, intentions, estimates and strategies for the future, the continuing availability of borrowings under revolving lines of credit, and other statements that are not historical facts. These forward-looking statements are based on the company's current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth herein as well as in the company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 (especially in Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and Part II, Item 1A. Risk Factors), and other risks and uncertainties listed from time to time in

the company's other filings with the Securities and Exchange Commission. In particular, the consequences of the coronavirus outbreak to economic conditions and the travel industry in general and the financial position and operating results of the company in particular have been material, are changing rapidly, and cannot be predicted. Additionally, there may be other factors of which the company is not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. The company does not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statement.