

American Airlines Reports Third-Quarter 2022 Financial Results

10/20/2022

FORT WORTH, Texas — American Airlines Group Inc. (NASDAQ: AAL) today reported its third-quarter 2022 financial results, including: Third-quarter net income of \$483 million, or \$0.69 per diluted share. Excluding net special items¹, third-quarter net income of \$478 million, or \$0.69 per diluted share.

FORT WORTH, Texas — American Airlines Group Inc. (NASDAQ: AAL) today reported its third-quarter 2022 financial results, including:

- Third-quarter net income of \$483 million, or \$0.69 per diluted share. Excluding net special items¹, third-quarter net income of \$478 million, or \$0.69 per diluted share.
- Record quarterly revenue of \$13.5 billion, which represents a 13% increase over the same period in 2019, despite flying 9.6% less capacity.
- Ended the third quarter with \$14.3 billion of total available liquidity, more than double the total available liquidity at year-end 2019.
- Company continues to execute on its plan to pay down approximately \$15 billion of total debt² by the end of 2025.



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“The American Airlines team continues to deliver on our goals of running a reliable operation and returning to profitability,” said American’s CEO Robert Isom. “Demand remains strong and it’s clear that customers in the U.S. and other parts of the world continue to value air travel and the ability to reconnect post-pandemic. American has the youngest, most fuel-efficient fleet among U.S. network carriers and we are well-positioned for the future because of the incredible efforts of our team.”

RUNNING A RELIABLE OPERATION

In the third quarter, American flew a schedule that was more than 25% larger than its closest competitor as measured by total departures. American and its regional partners operated more than 500,000 flights in the quarter, with an average load factor of 85.3%, which is 6.6 points higher than the third quarter of 2021. Despite a challenging operating environment — with hurricanes in Florida and the Caribbean and flooding in Dallas-Fort Worth — American restored its operating reliability to pre-pandemic levels in the third quarter. American has delivered a record on-time arrival rate and completion factor so far in October and expects to carry this momentum through the upcoming holiday season and beyond.

American is proud to offer customers the largest network of any U.S. airline, with an expected average of more than 5,100 daily departures for the remainder of the year.

RETURNING TO PROFITABILITY

American produced revenues of \$13.5 billion in the third quarter, a 13% increase versus 2019 and a record for any quarter in company history. This record revenue was achieved while flying 9.6% less capacity than the same period in 2019. The company produced an operating margin excluding net special items of 7.2% in the quarter.

Demand for domestic and short-haul international travel remains very strong and the airline expects further improvement in demand for long-haul international travel as travel restrictions and testing requirements are lifted around the globe.

LIQUIDITY AND BALANCE SHEET

American ended the third quarter with \$14.3 billion of total available liquidity, comprising of cash and short-term investments plus undrawn capacity under revolving and other credit facilities. Total debt reduction continues to be a top priority and the company remains on track to reduce total debt levels by \$15 billion by the end of 2025.

In the third quarter, the company made approximately \$380 million in scheduled debt and finance lease payments. As of Sept. 30, 2022, American had reduced its total debt by \$5.6 billion from peak levels in the second quarter of 2021.

GUIDANCE AND INVESTOR UPDATE

American will continue to match its forward capacity with the resources required to support its operation. Based on current trends, the company expects its fourth-quarter total revenue to be 11% to 13% higher versus the fourth quarter of 2019 on 5% to 7% lower capacity. With these demand trends and the current fuel price forecast and excluding the impact of special items, the company expects to produce an operating margin³ of between 5.5% and 7.5% in the fourth quarter. Based on today's guidance, American expects its fourth-quarter 2022 earnings per diluted share excluding net special items³ to be between \$0.50 and \$0.70.

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.

CONFERENCE CALL AND WEBCAST DETAILS

The company will conduct a live audio webcast of its financial results conference call at 7:30 a.m. CT today. The call will be available to the public on a listen-only basis at aa.com/investorrelations. An archive of the webcast will be available on the website through Nov. 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.

1 The company recognized \$18 million of pre-tax net special credits in the third quarter of 2022, which principally included \$57 million of nonoperating special credits for mark-to-market net unrealized gains associated with certain equity investments, offset in part by \$39 million of operating net special charges.

2 All references to total debt include debt, finance leases, operating lease liability and pension obligations.

3 3. Operating margin and earnings per diluted share guidance excludes the impact of net special items. The company is unable to reconcile certain forward-looking projections to GAAP as the nature or amount of net special items cannot be determined at this time.

Financial results

Click the button below to download the third-quarter 2022 financial results.

View the PDF

About American Airlines Group

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 and connect with American on Twitter [@AmericanAir](https://twitter.com/AmericanAir) and at 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, 2022 (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.