

# American Airlines Reports Fourth-Quarter and Full-Year 2022 Financial Results

1/26/2023

FORT WORTH, Texas — American Airlines Group Inc. (NASDAQ: AAL) today reported its fourth-quarter and full-year 2022 financial results, including: Fourth-quarter and full-year net income of \$803 million and \$127 million, or \$1.14 per diluted share and \$0.19 per diluted share, respectively. Excluding net special items<sup>1</sup>, fourth-quarter and full-year net income of \$827 million and \$328 million, or \$1.17 per diluted share and \$0.50 per diluted share, respectively.

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- Record fourth-quarter revenue of \$13.2 billion, which represents a 16.6% increase over the same period in 2019, despite flying 6.1% less capacity.
- Ended the year with \$12 billion of total available liquidity, after prepaying a \$1.2 billion term loan during the fourth quarter.
- Company continues to execute on its plan to pay down \$15 billion of total debt<sup>2</sup> by the end of 2025.

**2022 Financial Results**

A. Operating Revenues		B. Total Operating Revenues	
1. Passenger revenue	\$44.5b	2. Cargo revenue	\$1.2b
3. Other revenue	\$3.2b	A. Total Operating Revenues: \$49.0b	
B. Operating Expenses		B. Total Operating Expenses: \$47.4b	
1. Fuel	\$18.8b	2. Salaries and wages	\$15.0b
3. Depreciation and amortization	\$4.4b	4. Other operating expenses	\$5.2b
5. Interest expense	\$1.4b	6. Other non-recurring items	\$2.6b
C. Total Operating Income (A - B): \$1.6b		D. Total Nonoperating Expenses, Net: -\$1.4b	
E. Pre-tax Income (C + D): \$0.2b		F. Add: Total Pre-tax Net Special Items: \$27b	
G. Income Tax Provision: \$19b		H. Net Income, including Net Special Items (E + F): \$328b	
I. GAAP Net Income: \$127m		J. Net Income, excluding Net Special Items (G - G): \$803b	

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“The American Airlines team has produced outstanding results over the past year,” said American’s CEO Robert Isom. “We committed to running a reliable operation and returning to profitability, and our team is delivering on

both. We're proud to have led the industry in operational performance over the holidays while producing record full-year and fourth-quarter revenues, resulting in a third consecutive quarterly profit and a profit for the full year. As we turn our attention to 2023, we will continue to prioritize reliability, profitability and debt reduction."

#### RUNNING A RELIABLE OPERATION

American and its regional partners operated more than 475,000 flights in the fourth quarter, with an average load factor of 83.9%. For the quarter, American ranked first in completion factor among the nine largest U.S. carriers.

The American team delivered an even stronger performance over the holidays, despite challenging conditions in many parts of the country. American outperformed the industry over the December holiday period, ranking first in completion factor. The momentum has continued into 2023 as American has delivered the best on-time arrival performance of the nine largest U.S. carriers so far this year.

#### RETURNING TO PROFITABILITY

American produced revenues of \$13.2 billion in the fourth quarter, an increase of 16.6% versus the same period in 2019 and the highest fourth-quarter revenue in company history, driven by the continued strength of the demand environment. This record revenue was achieved while flying 6.1% less capacity than the same period in 2019. On both a GAAP basis and excluding the impact of net special items, the company produced an operating margin of 10.5% in the quarter. American also produced record revenues of \$49 billion for the full year, resulting in full-year profitability.

#### LIQUIDITY AND BALANCE SHEET

In the fourth quarter, American made approximately \$539 million in debt and finance lease payments and prepaid a \$1.2 billion term loan. The company ended the year with \$12 billion of total available liquidity, comprised of cash and short-term investments plus undrawn capacity under revolving and other credit facilities. Total debt<sup>2</sup> reduction continues to be a top priority, and the company is more than halfway to its goal of reducing total debt by \$15 billion by the end of 2025. As of Dec. 31, 2022, American had reduced its total debt by more than \$8 billion from peak levels in the second quarter of 2021.

#### GUIDANCE AND INVESTOR UPDATE

Based on demand trends and the current fuel price forecast and excluding the impact of special items, the company expects its first-quarter 2023 adjusted earnings per diluted share<sup>3</sup> to be approximately breakeven. Based on today's guidance, American expects its full-year 2023 adjusted earnings per diluted share<sup>3</sup> to be between \$2.50 and \$3.50.

For additional financial forecasting detail, please refer to the company's investor update, furnished 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. CT 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 Feb. 26.

#### 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.

The company recognized \$24 million of net special items after the effect of taxes in the fourth quarter, which principally included mark-to-market net unrealized losses associated with certain equity investments. All references to total debt include debt, finance leases, operating lease liability and pension obligations. Adjusted 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 fourth-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](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, 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. 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.