

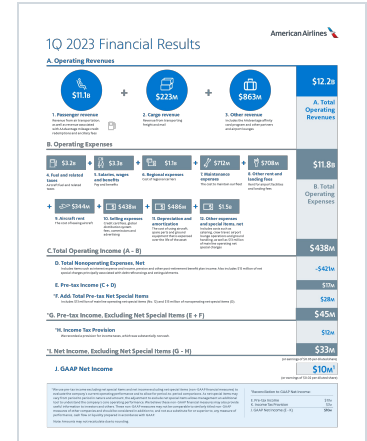
American Airlines Reports First-Quarter 2023 Financial Results

4/27/2023

FORT WORTH, Texas — American Airlines Group Inc. (NASDAQ: AAL) today reported its first-quarter 2023 financial results, including: First-quarter net income of \$10 million, or \$0.02 per diluted share. Excluding net special items, first-quarter net income of \$33 million, or \$0.05 per diluted share.

FORT WORTH, Texas — American Airlines Group Inc. (NASDAQ: AAL) today reported its first-quarter 2023 financial results, including:

- First-quarter net income of \$10 million, or \$0.02 per diluted share. Excluding net special items¹, first-quarter net income of \$33 million, or \$0.05 per diluted share.
- Record first-quarter revenue of \$12.2 billion, which represents a 37% increase year over year.
- Generated record operating cash flow of \$3.3 billion² and record free cash flow of \$3.0 billion² in the first quarter.
- Ended the quarter with \$14.4 billion of total available liquidity.
- Reiterating full-year 2023 adjusted earnings per diluted share³ target of \$2.50 to \$3.50



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“The American Airlines team ran a great operation and delivered on our financial guidance for the quarter, resulting in a first-quarter profit for the first time in four years,” said American’s CEO Robert Isom. “Looking ahead to the remainder of 2023, we remain focused on reliability, profitability, strengthening the balance sheet, and creating even more value for our shareholders, team members, customers and the communities we serve.”

RUNNING A RELIABLE OPERATION

The American Airlines team delivered a strong operational performance during the first quarter. American and its regional partners operated more than 476,000 flights in the first quarter, with an average load factor of 80.0%.

American delivered its best-ever first quarter completion factor and controllable completion factor, resulting in 13 mainline, 11 regional, and five combined mainline and regional zero-cancellation days, a significant improvement over the same period last year. American also outperformed the industry in on-time departures for the quarter, ranking first among the nine largest U.S. carriers.

RETURNING TO PROFITABILITY

American produced revenues of \$12.2 billion in the quarter, a record for the first quarter and an increase of 37% versus the first quarter of 2022 on 9.2% more capacity. The strong revenue performance was driven by the continued strength of the demand environment. The company produced an operating margin of 3.6% on a GAAP basis and 3.7% excluding the impact of net special items. American produced net income of \$10 million in the first quarter on a GAAP basis.

Demand for American's product remains strong. Domestic and short-haul international revenue continue to perform well, and the airline has seen noticeable strength in long-haul international demand and yield performance this year.

American will make a profit-sharing payment to its team members for the first time in three years. The company has accrued approximately \$211 million to its profit-sharing pool, which for the purposes of 2022 was measured as the 12-month period ended March 31, 2023, and will be paid to team members in May.

LIQUIDITY AND BALANCE SHEET

American generated record operating and free cash flow of \$3.3 billion² and \$3.0 billion², respectively, in the first quarter. The company reduced total debt⁴ by more than \$850 million in the quarter. Strengthening the balance sheet continues to be a top priority, and the company is approximately 60% of the way to its goal of reducing total debt by \$15 billion by the end of 2025. As of March 31, 2023, American had reduced its total debt by more than \$9 billion from peak levels in the second quarter of 2021. The company ended the quarter with approximately \$14.4 billion of total available liquidity, comprised of cash and short-term investments plus undrawn capacity under

revolving and other short-term credit facilities.

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 second-quarter 2023 adjusted earnings per diluted share³ to be between \$1.20 and \$1.40. American continues to expect its full-year 2023 adjusted earnings per diluted share³ to be between \$2.50 and \$3.50. The company's forecasts include the estimated impact of anticipated new labor agreements.

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.

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 May 27.

NOTES

See the accompanying notes in the financial tables section of this press release for further explanation, including a reconciliation of free cash flow and all GAAP to non-GAAP financial information.

The company recognized \$23 million of net special items after the effect of taxes in the first quarter, which principally included charges associated with debt refinancings and extinguishments.

Excludes the cash flow impact of financial assistance received pursuant to Payroll Support Program Agreements with the U.S. Department of the Treasury in prior periods. Please see the accompanying notes for the company's definition of free cash flow, a non-GAAP measure.

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.

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

Financial results

Click the button below to download the first-quarter 2023 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, 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 March 31, 2023 (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.