



NEWS RELEASE

American Airlines reports second-quarter 2023 financial results

7/20/2023

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

- Record quarterly revenue of \$14.1 billion, a 4.7% increase year over year.
- Second-quarter net income of \$1.3 billion, or \$1.88 per diluted share. Excluding net special items¹, second-quarter net income of \$1.4 billion, or \$1.92 per diluted share.
- Generated operating cash flow of \$1.8 billion and free cash flow of \$1.2 billion in the second quarter.
- Ended the quarter with \$14.9 billion of total available liquidity.
- Raising full-year adjusted EPS² guidance to between \$3.00 and \$3.75 per diluted share.
- Credit rating upgraded two notches to B+ by Fitch.

“It was another fantastic quarter for American, driven by the hard work of our team to deliver a reliable operation for our customers and the continued strong demand for our product,” said American’s CEO Robert Isom. “Our operation is performing at historically strong levels, and we have worked to refresh our fleet and build a comprehensive global network, all of which helped to produce record revenues in the second quarter. We will build on this momentum the rest of the year and continue to prioritize reliability, profitability, accountability and strengthening our balance sheet.”



Resources

- [Fact sheet PDF »](#)
- [Earnings conference call »](#)

RUNNING A RELIABLE OPERATION

The American Airlines team delivered a strong operational performance during the quarter, achieving its best-ever second-quarter completion factor and controllable completion factor³. American and its regional partners operated nearly 500,000 flights in the second quarter, with an average load factor of approximately 86%.

American delivered a record Memorial Day weekend mainline completion factor and controllable completion factor, while operating its largest-ever mainline Memorial Day weekend schedule. The momentum continued into June, with the American team delivering a record June completion factor and controllable completion factor, despite weather and air traffic control challenges. In the second quarter, American achieved its best-ever April, May and June controllable completion factors³ and delivered 11 more combined zero-cancellation days versus the same period last year.

RETURNING TO PROFITABILITY

American produced record quarterly revenues of \$14.1 billion in the second quarter. The strong revenue performance was driven by continued broad-based demand strength and American's completion factor performance in the quarter. Demand was particularly strong in the month of June driven by an increase in close-in bookings. 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.

In the second quarter, the company produced an operating margin of 15.4% and net income of \$1.3 billion on a GAAP basis. Excluding net special items¹, American produced net income of \$1.4 billion in the second quarter.

LIQUIDITY AND BALANCE SHEET

American generated operating cash flow and free cash flow of nearly \$1.8 billion and \$1.2 billion, respectively, in the second quarter. The company reduced total debt⁴ by \$387 million in the quarter. Strengthening the balance sheet continues to be a top priority, and American is nearly two-thirds of the way to its goal of reducing total debt by \$15 billion by the end of 2025. As of June 30, 2023, American had reduced its total debt by approximately \$9.4 billion from peak levels in mid-2021. The company's commitment to strengthening its balance sheet is being recognized, as evidenced by Fitch upgrading the company's rating two notches, to B+. The company ended the quarter with approximately \$14.9 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 third-quarter 2023 adjusted earnings per diluted share² to be between \$0.85 and \$0.95. American now expects its full-year 2023 adjusted earnings per diluted share² to be between \$3.00 and \$3.75. 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 Aug. 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, including the calculation of free cash flow.

The company recognized \$33 million of net special items after the effect of taxes in the second quarter, which principally included charges associated with debt extinguishments and mark-to-market adjustments on equity investments.

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.

Excludes second-quarter 2020 and second-quarter 2021, which were impacted by significantly reduced capacity due to COVID-19.

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 June 30, 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.