



NEWS RELEASE

# American Airlines reports second-quarter 2025 financial results

2025-07-24

FORT WORTH, Texas — American Airlines Group Inc. (NASDAQ: AAL) today reported its second-quarter 2025 financial results, including:

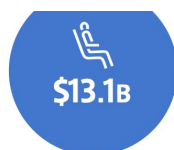
- Record quarterly revenue of \$14.4 billion
- Second-quarter GAAP net income of \$599 million, or \$0.91 per diluted share
- Excluding net special items<sup>1</sup>, second-quarter net income of \$628 million, or \$0.95 per diluted share
- Second-quarter operating margin of approximately 8%
- Ended the quarter with \$12 billion of total available liquidity

“American delivered record revenue in an evolving demand environment in the second quarter thanks to the hard work and dedication of our team,” said American’s CEO Robert Isom. “We remain confident that the actions we have taken over the past several years to refresh our fleet, manage costs and strengthen our balance sheet position us well for the future. The investments we have made toward achieving our revenue potential, including bolstering our network, customer experience and loyalty program, are paying off, and the team remains focused on delivering on our long-term strategy.”

## 2Q 2025 Financial Results

### A. Operating Revenues





#### 1. Passenger revenue

Revenue from air transportation, as well as revenue associated with AAdvantage® mileage credit redemptions and ancillary fees

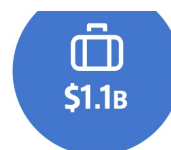
+



#### 2. Cargo revenue

Revenue from transporting freight and mail

+



#### 3. Other revenue

Includes the AAdvantage® affinity card program and other partners and airport lounges

**\$14.4B**

### A. Total Operating Revenues

## B. Operating Expenses



#### 4. Fuel and related taxes

Aircraft fuel and related taxes



#### 5. Salaries, wages and benefits

Pay and benefits



#### 6. Regional expenses

Cost of regional carriers



#### 7. Maintenance expenses

The cost to maintain our fleet



#### 8. Other rent and landing fees

Rent for airport facilities and landing fees

**\$13.3B**

### B. Total Operating Expenses



#### 9. Aircraft rent

The cost of leasing aircraft



#### 10. Selling expenses

Credit card fees, global distribution system fees, commissions and advertising



#### 11. Depreciation and amortization

The cost of using aircraft, spare parts and ground equipment that is expensed over the life of the asset



#### 12. Other expenses and special items, net

Includes costs such as catering, crew travel, airport lounge operations and ground handling, as well as \$47 million of mainline operating net special charges

## C. Total Operating Income (A - B)

**\$1.1B**

### D. Total Nonoperating Expenses, Net

Includes items such as interest expense and income, pension and other postretirement benefit plan income and costs. Also includes \$16 million of net special credits.

**(\$297M)**

### E. Pretax Income (C + D)

**\$838M**

### \*F. Add: Total Pretax Net Special Items

Includes \$47 million of mainline operating net special charges (No. 12) and \$16 million of nonoperating net special credits (D).

**\$31M**

## \*G. Pretax Income, Excluding Net Special Items (E + F)

**\$869M**

### \*H. Income Tax Provision

We recorded a provision for income taxes, which was substantially noncash.

**\$241M**

## \*I. Net Income, Excluding Net Special Items (G - H)

**\$628M**

(or earnings of \$0.95 per diluted share)

## J. GAAP Net Income

**\$599M<sup>1</sup>**

(or earnings of \$0.91 per diluted share)

\*We use pretax income excluding net special items and net income excluding net special items (non-GAAP financial measures) to evaluate the company's current operating performance and to allow for period-to-period comparisons. As net special items may vary from period to period in nature and amount, the adjustment to exclude net special items provides management with an additional tool to understand the company's core operating performance. We believe these non-GAAP financial measures may also provide useful information to investors and others. These non-GAAP measures may not be comparable to similarly titled non-GAAP measures of other companies and should be considered in addition to, and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with GAAP.

Note: Amounts may not recalculate due to rounding.

### <sup>1</sup>Reconciliation to GAAP Net Income:

|                            |        |
|----------------------------|--------|
| E. Pretax Income           | \$838M |
| K. Income Tax Provision    | \$239M |
| J. GAAP Net Income (E - K) | \$599M |

## Resources

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

## Revenue performance

American produced record quarterly revenue of \$14.4 billion. The company continued the restoration of revenue from indirect channels, driven by a faster-than-expected recovery in leisure channels, further solidifying its plan to return to historical share of indirect channel revenue exiting this year. American saw continued strength in premium cabin demand in the second quarter, particularly to long-haul international destinations. All international entities delivered positive unit revenue growth year over year, with Atlantic passenger unit revenue up 5%. These results contributed to American's industry-leading passenger unit revenue year-over-year improvement for the fourth consecutive quarter.

#### AAdvantage program and co-branded credit card performance

American continues to see strong engagement with its industry-leading AAdvantage® loyalty program, with active accounts up 7% year over year. Spending on co-branded credit cards increased 6% year over year as customers continue to value earning rewards for future travel with American.

#### Customer experience

American's new Customer Experience organization continues to make meaningful progress in elevating the travel journey. In the second quarter, American introduced the ability for customers to use miles as a form of payment for instant upgrades and announced plans to open a new Flagship® lounge and nearly double the amount of lounge space at Miami International Airport. American also debuted its new Flagship Suite®, an elevated premium inflight experience that is expected to expand to more destinations this winter.

#### Operational performance

The American team delivered a resilient operation in the second quarter, which had a 36% increase in disruptive operational events year over year primarily driven by increased storm activity at the airline's hubs in Dallas-Fort Worth, Chicago, Washington, D.C., and the Northeast. American continues to demonstrate its ability to quickly recover from irregular operations, and its investments in technology are driving additional enhancements to both reliability and the customer experience.

#### Balance sheet and liquidity

The company's operating cash flow of \$3.4 billion and free cash flow<sup>2</sup> generation of \$2.5 billion in the first half of 2025 enabled further strengthening of its balance sheet. The company ended the second quarter with \$38 billion of total debt<sup>3</sup> and \$29 billion of net debt<sup>4</sup>. The company ended the second quarter with \$12 billion of total available liquidity, comprised of cash and short-term investments plus undrawn capacity under revolving credit and other facilities.

#### Guidance and investor update

Based on its current booked revenue, expectations of future demand trends and fuel price, and excluding the impact of special items, the company expects a third-quarter 2025 adjusted loss per diluted share<sup>5</sup> to be between

(\$0.10) and (\$0.60). Based on recent booking trends, American expects its full-year adjusted earnings (loss) per diluted share<sup>5</sup> to be between (\$0.20) and \$0.80, with a mid-point of \$0.30. The company believes the top end of the range is achievable if demand in the domestic market continues to strengthen and only expects to be at the bottom end of the range if there were to be macro weaknesses that are not seen today.

For additional financial forecasting detail, please refer to the company's investor update, furnished, together with this press release, with the SEC on a current report on Form 8-K. This filing is also available at **[aa.com/investorrelations](https://www.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://www.aa.com/investorrelations)**. An archive of the webcast will be available through Aug. 24, 2025.

#### 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 and the calculation of free cash flow.

The company recognized \$29 million of net special items in the second quarter after the effect of taxes, which principally included adjustments to litigation reserves, offset in part by mark-to-market net unrealized gains associated with certain equity investments.

Please see the accompanying notes for the company's definition of free cash flow, a non-GAAP measure.

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

Net debt is defined as total debt net of unrestricted cash and short-term investments.

Adjusted earnings (loss) per diluted share guidance excludes the impact of net special items. The company is unable to reconcile certain forward-looking information 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 second-quarter 2025 financial results.

#### **View the PDF**

### About American Airlines Group

As a leading global airline, American Airlines offers thousands of flights per day to more than 350 destinations in more than 60 countries. The airline is a founding member of the oneworld alliance, whose members serve more than 900 destinations around the globe. Shares of American Airlines Group Inc. trade on Nasdaq under the ticker symbol AAL. Learn more about what's happening at American by visiting [news.aa.com](https://news.aa.com) and connect with American

@AmericanAir and at [Facebook.com/AmericanAirlines](https://www.facebook.com/AmericanAirlines). To Care for People on Life's Journey®.

## 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, downturns in economic conditions; our inability to obtain sufficient financing or other capital to operate successfully; our high level of debt and other obligations; our significant pension and other postretirement benefit funding obligations; any deterioration of our financial condition; any loss of key personnel, or our inability to attract, develop and retain additional qualified personnel; changing economic, geopolitical, commercial, regulatory and other conditions beyond our control, including the recently announced tariffs and other global events that affect travel behavior; changes in current legislation, regulations and economic conditions regarding federal governmental tariffs, the implementation of federal government budget cuts and the potential that any of the foregoing affects the demand for, or restricts the use of, travel by government employees and their families or private sector enterprises that contract or otherwise interface with the federal government; the intensely competitive and dynamic nature of the airline industry; union disputes, employee strikes and other labor-related disruptions; problems with any of our third-party regional operators or third-party service providers; any damage to our reputation or brand image; losses and adverse publicity stemming from any public incidents involving our company, our people or our brand; changes to our business model that may not be successful and may cause operational difficulties or decreased demand; our inability to protect our intellectual property rights, particularly our branding rights; litigation in the normal course of business or otherwise; our inability to use net operating losses and other carryforwards; any new U.S. and international tax legislation; any impairment of goodwill and intangible assets or long-lived assets; any inability of our commercial relationships with other companies to produce the returns or results we expect; our dependence on price and availability of aircraft fuel; extensive government regulation and compliance risks; economic and political instability outside of the U.S. where we have significant operations; ongoing security concerns due to conflicts, terrorist attacks or other acts of violence, domestically or abroad; climate change; environmental and social matters, and compliance risks with environmental, health and noise regulations; a shortage of pilots; our dependence on a limited number of suppliers for aircraft, aircraft engines and parts; any failure of technology and automated systems, including artificial

intelligence, that we rely on to operate our business; evolving data privacy requirements, risks from cyberattacks and data privacy incidents, and compliance risks with regulations related therewith; any inability to effectively manage the costs, rights and functionality of third-party distribution channels; any inability to obtain and maintain adequate facilities and infrastructure throughout our system and, at some airports, adequate slots; interruptions or disruptions in service at one or more of our key facilities; increases in insurance costs or reductions in insurance coverage; heavy taxation in the airline industry; risks related to ownership of American Airlines Group Inc. common stock; and other risks set forth herein as well as in the company's latest annual report on Form 10-K for the year ended December 31, 2024 (especially in Part I, Item 1A. Risk Factors and Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations) and subsequent quarterly reports on Form 10-Q (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.