

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **March 4, 2024**

**AMERICAN AIRLINES GROUP INC.**  
**AMERICAN AIRLINES, INC.**  
(Exact name of registrant as specified in its charter)

Delaware  
Delaware

(State or other Jurisdiction of Incorporation)

1-8400  
1-2691

(Commission File Number)

75-1825172  
13-1502798

(IRS Employer Identification No.)

1 Skyview Drive, Fort Worth, Texas  
1 Skyview Drive, Fort Worth, Texas  
(Address of principal executive offices)

76155  
76155  
(Zip Code)

Registrant's telephone number, including area code:  
(682) 278-9000  
(682) 278-9000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	AAL	The Nasdaq Global Select Market
Preferred Stock Purchase Rights	—	(1)

(1) Attached to the Common Stock

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**ITEM 7.01. REGULATION FD DISCLOSURE.**

On March 4, 2024, American Airlines Group Inc. (the "Company") is presenting information relating to its financial and operational outlook at its 2024 Investor Day. As previously announced, this presentation will be webcast with the link available at the Company's website at [www.aa.com](http://www.aa.com) under "Investor Relations." The presentation slides are furnished as Exhibit 99.1 to this report.

Also, on March 4, 2024, the Company is providing an update to investors concerning its targeted financial performance for the full years 2024, 2025, 2026 and beyond.

	<b>2024E</b>	<b>2025E</b>	<b>2026E+</b>
Adjusted EBITDAR margin <sup>1</sup>	~ 14%	~ 14%–16%	~ 15%–18%
Free cash flow <sup>2</sup>	~ \$2B	> \$2B	> \$3B
Total debt <sup>3</sup>	~ \$41B	~ \$39B	< \$35B

<sup>1</sup> Adjusted EBITDAR is defined as earnings excluding the impact of net special items before net interest and other nonoperating expenses, taxes, depreciation, amortization and aircraft rent, and is a non-GAAP measure.

<sup>2</sup> Adjusted free cash flow is defined as net cash provided by operating activities less net cash used in investing activities, adjusted for (1) net sales of short-term investments and (2) change in restricted cash, and is a non-GAAP measure.

<sup>3</sup> Total debt includes debt, finance and operating lease liabilities and pension obligations.

Certain components of the guidance provided exclude net special items. The Company is unable to fully reconcile this forward-looking guidance to the corresponding GAAP measure because the full nature and amount of net special items cannot be determined at this time.

The information in this Item 7.01 is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section and shall not be deemed incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

**Non-GAAP Financial Information and Financial Guidance**

The Company sometimes uses financial measures that are derived from the condensed consolidated financial statements or otherwise provided in the form of guidance but that are not presented in accordance with GAAP to understand and evaluate its current operating performance and to allow for period-to-period comparisons. The Company believes 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. As net special items may vary from period to period in nature and amount, the adjustment to exclude net special items allows management an additional tool to understand the Company's core operating performance. Additionally, management uses adjusted EBITDAR margin and adjusted free cash flow, among others, which are non-GAAP measures, to evaluate the Company's current operating performance and the Company's ability to generate cash from its core operating performance that is available for use to reinvest in the business or to reduce debt.

The Company does not provide a reconciliation of forward-looking measures where the Company is unable to reasonably predict certain items contained in the GAAP measures without unreasonable efforts. This is due to the inherent difficulty of forecasting the timing or amount of various items that have not yet occurred and are out of the Company's control or cannot be reasonably predicted. For the same reasons, the Company is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

### Cautionary Statement Regarding Forward-Looking Statements

This document includes 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 Annual Report on Form 10-K for the year ended December 31, 2023 (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 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.

### ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

#### (d) Exhibits.

Exhibit No.	Description
99.1	<a href="#">Investor Presentation, dated March 4, 2024.</a>
104.1	Cover page interactive data file (embedded within the Inline XBRL document).

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, American Airlines Group Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**AMERICAN AIRLINES GROUP INC.**

Date: March 4, 2024

By: /s/ Devon E. May  
Devon E. May  
Executive Vice President and  
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, American Airlines, Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**AMERICAN AIRLINES, INC.**

Date: March 4, 2024

By: /s/ Devon E. May  
Devon E. May  
Executive Vice President and  
Chief Financial Officer

# InvestorDay



American Airlines 

MARCH 4, 2024

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# Safe Harbor Statement

Certain of the statements contained in this presentation 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 Annual Report on Form 10-K for the year ended December 31, 2023 (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 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.

## Non-GAAP Financial Information and Financial Guidance

The Company sometimes uses financial measures that are derived from the condensed consolidated financial statements or otherwise provided in the form of guidance but that are not presented in accordance with GAAP to understand and evaluate its current operating performance and to allow for period-to-period comparisons. The Company believes 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. Management uses these 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 allows management an additional tool to understand the Company's core operating performance. The Company does not provide a reconciliation of forward-looking measures where the Company is unable to reasonably predict certain items contained in the GAAP measures without unreasonable efforts. This is due to the inherent difficulty of forecasting the timing or amount of various items that have not yet occurred and are out of the Company's control or cannot be reasonably predicted. For the same reasons, the Company is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.



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# Creating shareholder value

**ROBERT ISOM**  
CHIEF EXECUTIVE OFFICER



# The time is now



## Constructive environment

- Demand has returned
- Favorable backdrop for American



## American is a changed airline

- Delivering on commitments
- Driving value through execution and performance

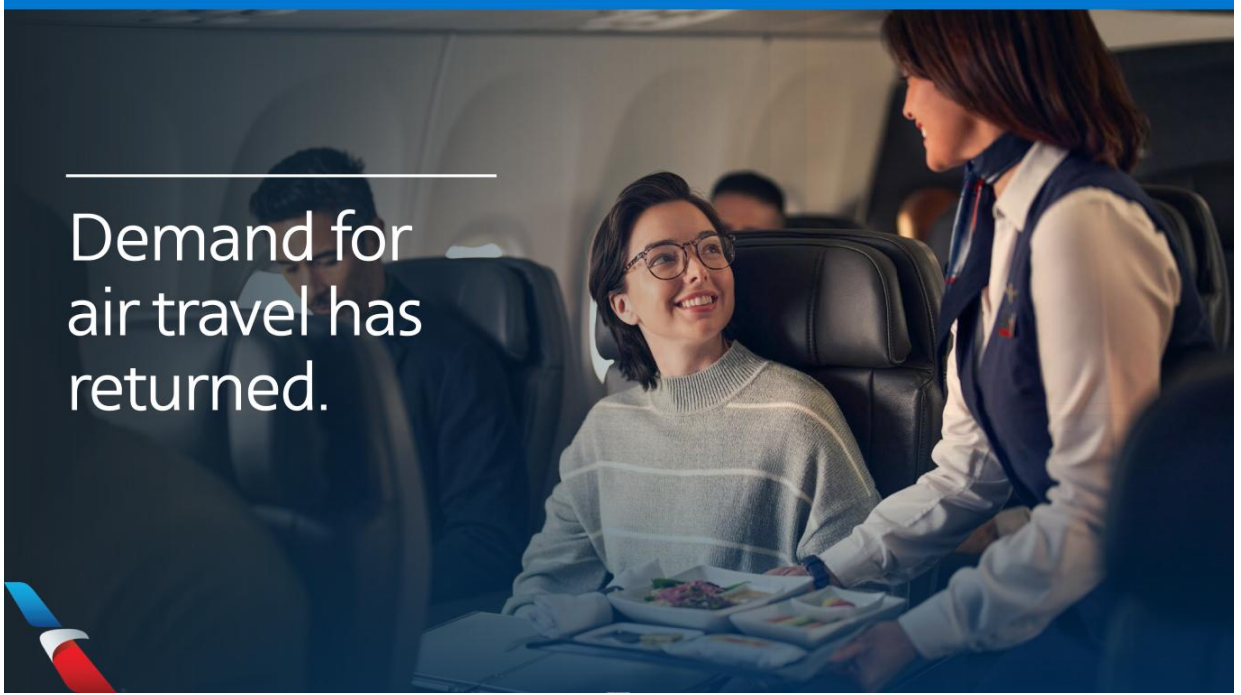


## Opportunities ahead

- Value-creating drivers
- Margin expansion and free cash flow growth







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Demand for  
air travel has  
returned.

# Demand for travel has accelerated

Total airline industry revenue  
\$B

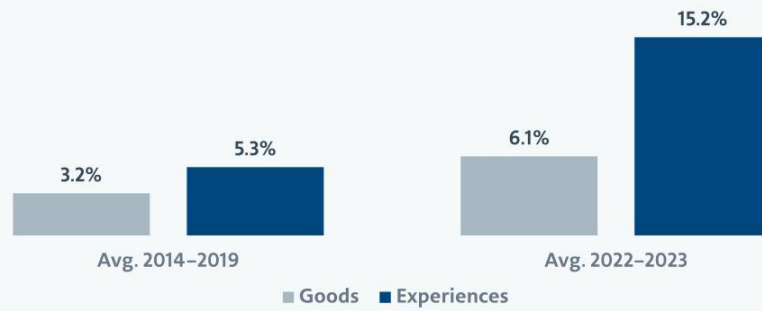


Note: U.S. carriers industry revenue. Compound annual growth rate (CAGR).  
Source: Airline financials.

# Consumer spending continues to shift to experiences

## Growth in spending on goods and experiences<sup>1</sup>

%

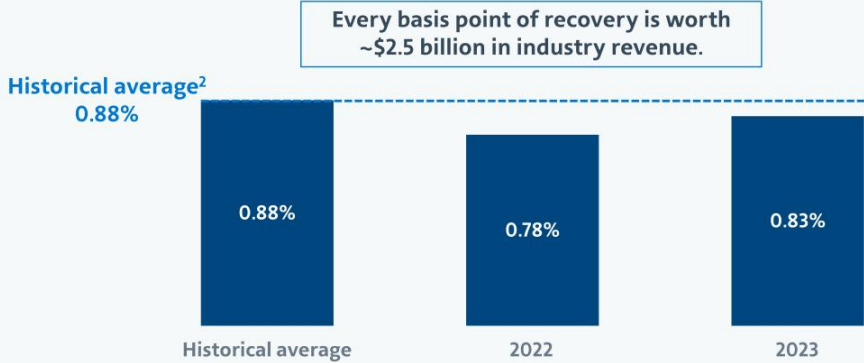


<sup>1</sup> Nominal spending YoY growth.  
Source: Bureau of Economic Analysis, Mastercard Economics Institute.

# Revenue opportunity remains

## Airline industry revenue

Percentage of GDP<sup>1</sup>



<sup>1</sup> U.S. carriers industry revenue  
<sup>2</sup> Historical average 2010-2019  
Source: Philadelphia Federal Reserve and FRED database (GDP), Airline Financials (Industry revenue)

# Industry constraints persist



OEM delivery delays



Engine issues



Supply chain constraints



Air Traffic Control challenges



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We are a  
changed airline.



## People, plan, process

**Rebuilt senior leadership team**

Industry experience  
External expertise

LONG-TERM STRATEGIC OBJECTIVES

- Create a World-Class Customer Experience
- Make Culture a Competitive Advantage
- Build American Airlines to Thrive Forever

**Reliability**

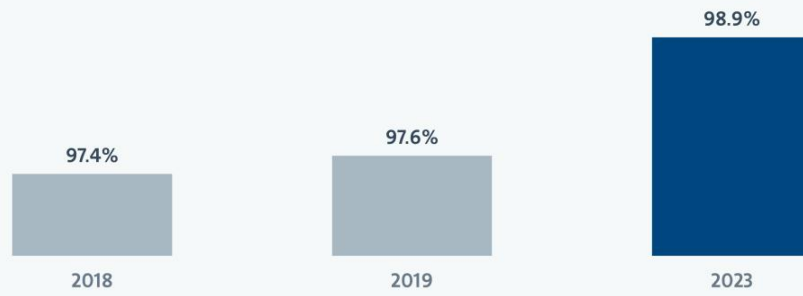
**Profitability**

**Accountability**

InvestorDay 11

## Delivered a reliable operation

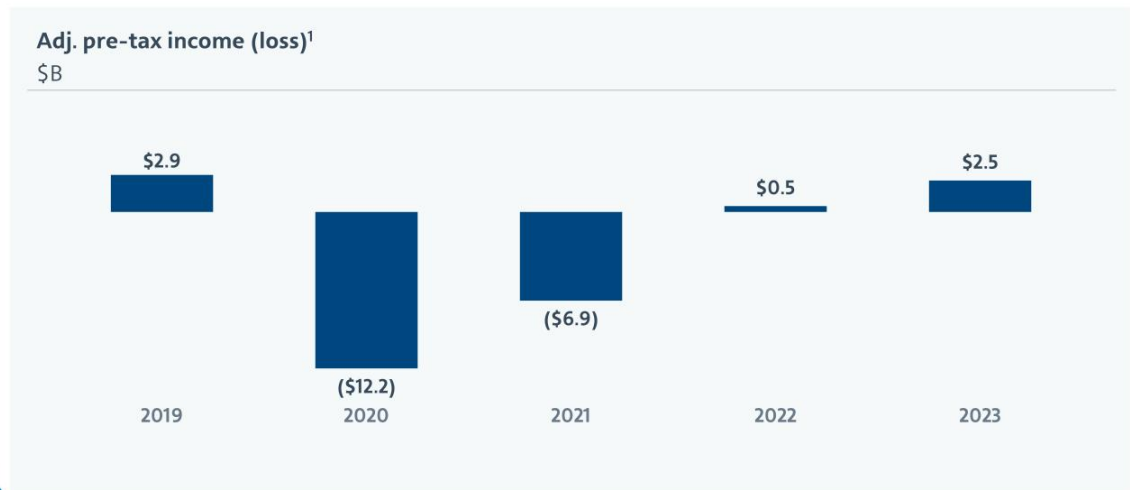
Completion factor  
%



Source: Internal data



## Returned American to profitability



<sup>1</sup> Adjusted pre-tax income (loss) excludes the impact of pre-tax net special items and is a non-GAAP measure. See GAAP to non-GAAP reconciliation in Appendix.  
Source: Airline financials.

## Strengthened our balance sheet



1 As of respective period end.  
2 Total debt includes debt, finance and operating lease liabilities and pension obligations.  
Source: Airline financials.

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## Awards and accolades



**Achieved rating upgrades** from all three major credit rating agencies

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Won **Best U.S. Airline Loyalty Program** at the 2023 TPG Awards

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**Best Elite Program** for the 11<sup>th</sup> consecutive year at the 2023 Freddie Awards

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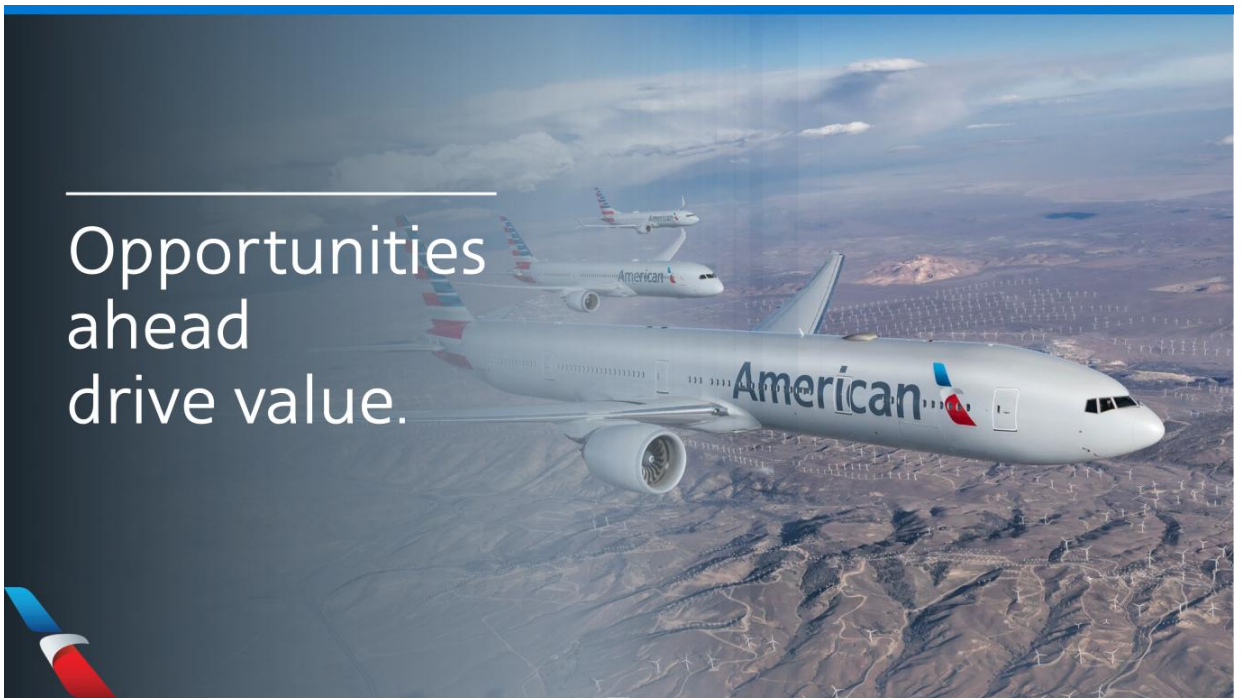


Named to the **Dow Jones Sustainability North America Index** for the third consecutive year and to the **World Index** for the first time




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Opportunities  
ahead  
drive value.



# Compelling value-creating drivers



 <b>Fleet</b> Young & simplified	 <b>Operational excellence</b> Strong, reliable operation	 <b>Network</b> Strongest domestic & short-haul international network	 <b>Rewards</b> Leading travel rewards program & co-branded credit card opportunity	 <b>Reengineering the business</b> Asset utilization, productivity, procurement
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**Margin expansion**  
**Long-term free cash flow generation**

InvestorDay 17

## Key target metrics

	2024E	2025E	2026E+
Adj. EBITDAR margin <sup>1</sup>	~ 14%	~ 14%–16%	~ 15%–18%
Free cash flow <sup>2</sup>	~ \$2B	> \$2B	> \$3B

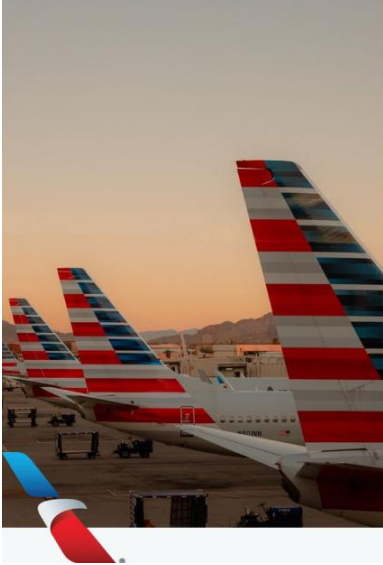


Note: The Company is unable to fully reconcile certain forward-looking guidance to the corresponding GAAP measure because the full nature and amount of net special items cannot be determined at this time.

<sup>1</sup> Adjusted EBITDAR margin is a non-GAAP measure. Adjusted EBITDAR is defined as earnings including the impact of net special items before net interest and other nonoperating expenses, taxes, depreciation, amortization and aircraft rent.

<sup>2</sup> Adjusted free cash flow is a non-GAAP measure. Adjusted free cash flow is defined as net cash provided by operating activities less net cash used in investing activities, adjusted for (1) net sales of short-term investments and (2) change in restricted cash.

# Agenda



## Commercial execution

*Vasu Raja, Chief Commercial Officer*

## Operational excellence

*David Seymour, Chief Operating Officer*

## Reengineering with technology

*Ganesh Jayaram, Chief Digital & Information Officer*

## Leading performance and accountability

*Cole Brown, Chief People Officer*

## Maximizing value creation

*Devon May, Chief Financial Officer*

## American is well-positioned to create value

### Commercial opportunities



Fleet



Network



Rewards

### Focused execution



Operational  
excellence

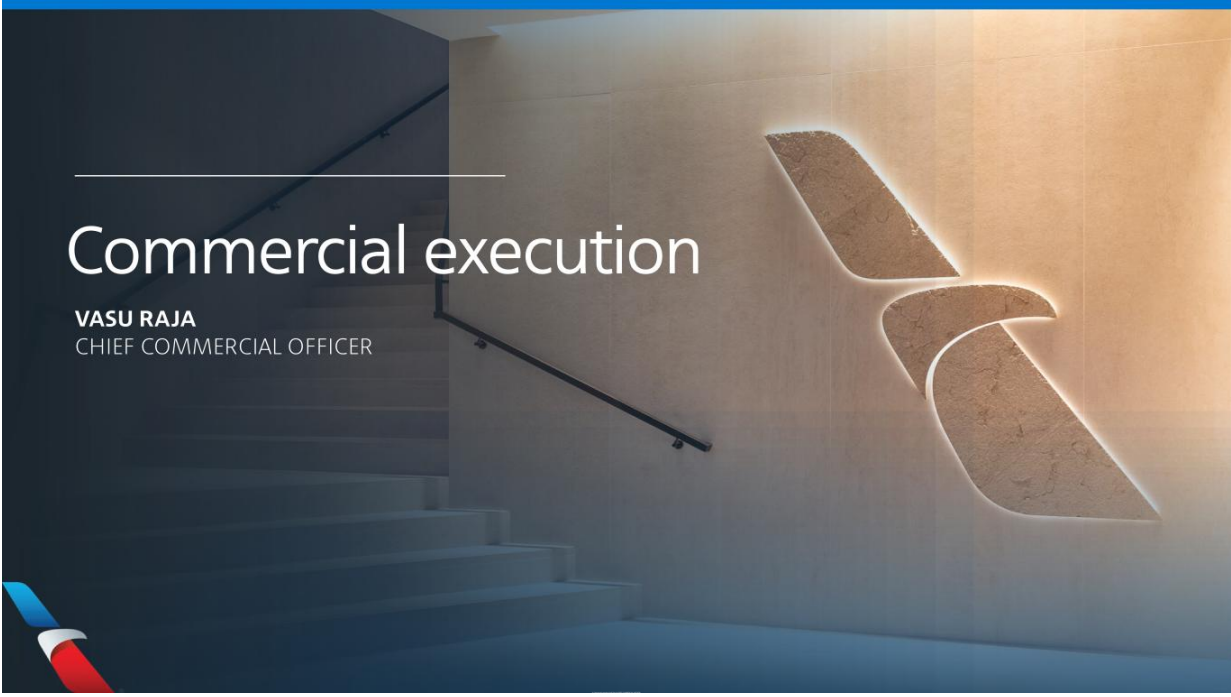


Reengineering  
the business

Margin expansion

Long-term free cash flow generation





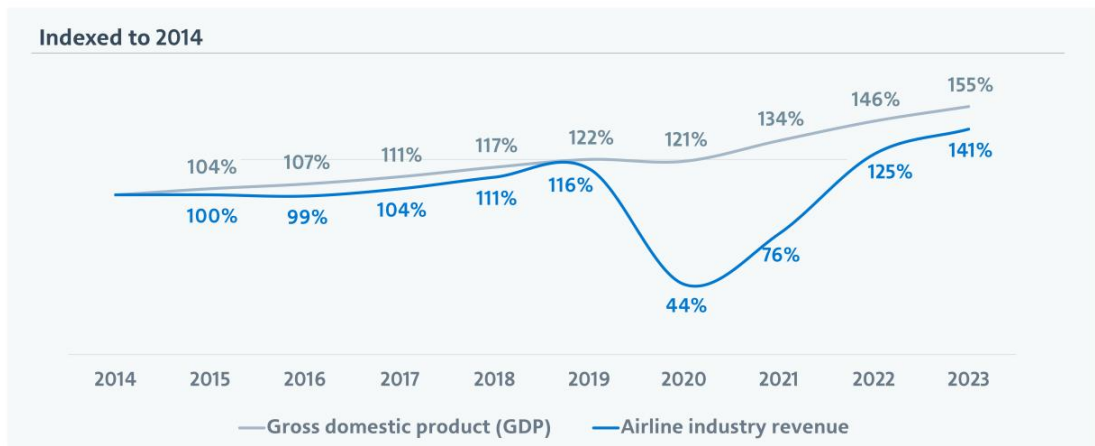
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# Commercial execution

**VASU RAJA**  
CHIEF COMMERCIAL OFFICER



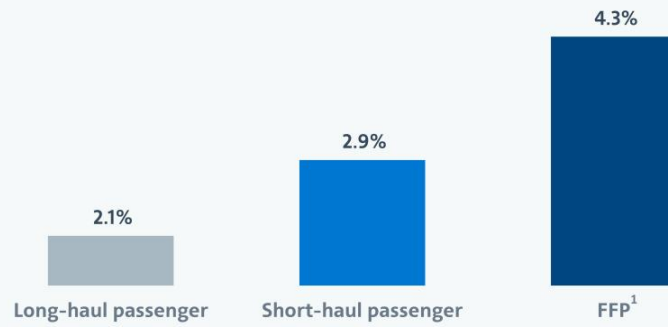
## Airline revenues trend with GDP



Source: Philadelphia Federal Reserve (GDP), Airline Financials (Industry revenue)

## Some sources of revenue have exhibited faster and more consistent growth

Revenue annualized growth  
2019–2023



<sup>1</sup> Total frequent flyer program (FFP) related revenue, including passenger and non-passenger components.  
Source: Company reports, internal analysis.

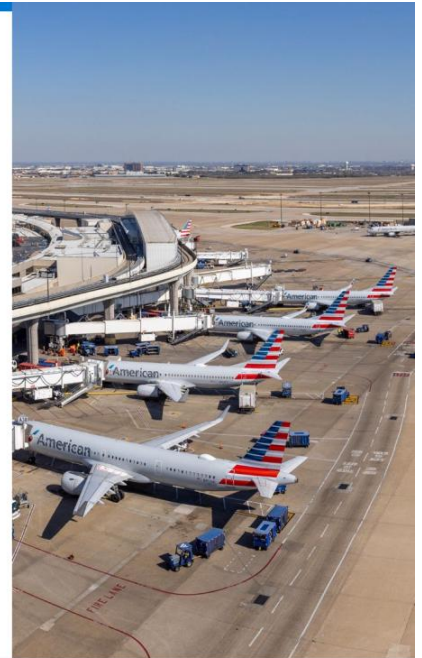
## We are uniquely positioned to produce durable earnings



Our **short-haul network** is the foundation of value for customers and investors



**AAdvantage**<sup>®</sup> – our travel rewards program – is our source of value growth for customers and investors



# Grow value for customers and investors



Building the best network



Building the best travel rewards program



Conclusion

# Grow value for customers and investors



Building the best network

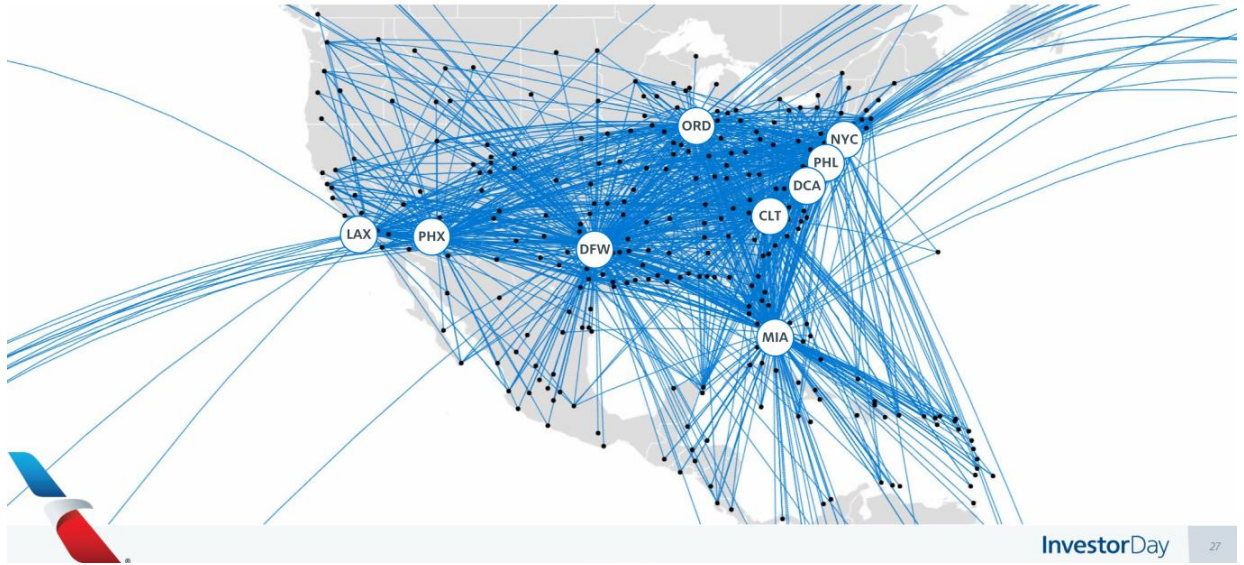


Building the best travel rewards program



Conclusion

## We are a uniquely positioned global hub-and-spoke network carrier

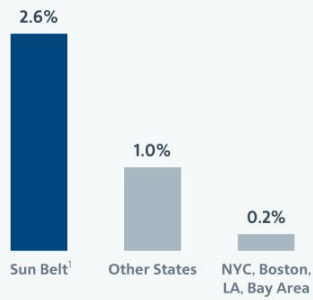


# The customer landscape is changing

*Population is shifting  
to the Sun Belt ...*

## Population change

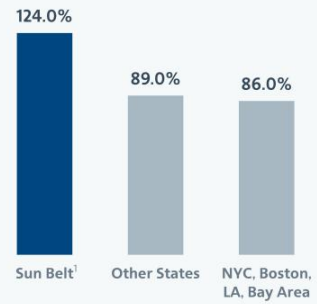
2022 vs 2019 %



*... and economic growth is  
trending similarly*

## Economic growth

2022 vs 2019 % of national average

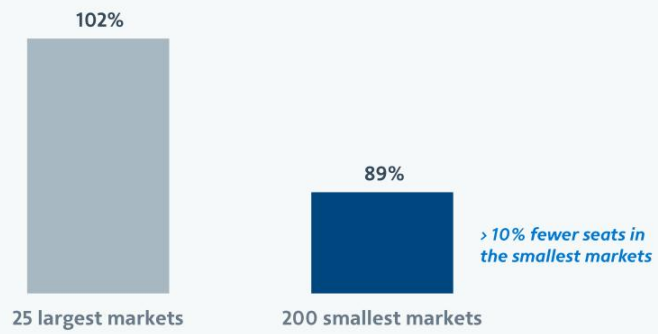


<sup>1</sup> Sun Belt includes AL, AR, AZ, FL, GA, KY, LA, MS, NC, NM, NV, SC, TN, TX.  
Source: Census Bureau, Bureau of Economic Analysis.



## The competitive landscape is also changing

### Industry seats 2022 vs 2019 %

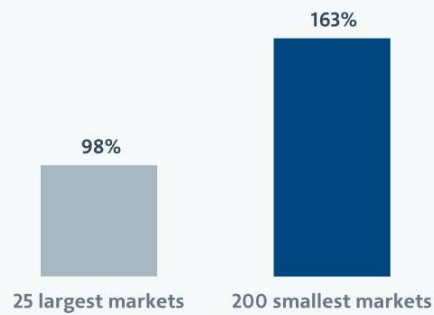


Note: Largest/smallest markets based on 2019 seats. Industry includes 11 largest U.S. carriers.  
Source: Cirium.

## Changing trends create opportunity

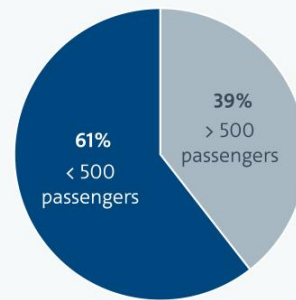
*Customers in small markets place greater value on connectivity ...*

American yield % of average



*... and over 60% of airports have fewer than 500 passengers/day*

Airports by average daily demand



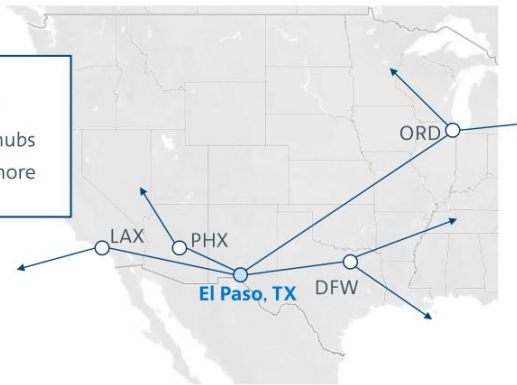
Source: Yield: internal analysis, FY 28 % of Continental U.S. average among spokes served by American (25/25 largest, 103/200 smallest). Average daily demand: GDD, Continental U.S. airports with FY 23 >10 average passengers daily each way (PDEW).

# Our hub structure creates a unique network advantage

*Our hubs provide the best service for customers in higher-growth markets at competitive economics*

**Example: El Paso, TX (ELP)**

- 14 peak-day departures
- Nonstop flights to four hubs
- Global connectivity to more than 175 cities

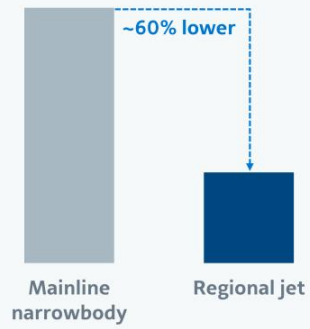


Source: Cirium, internal analysis (March 2024).

# Our fleet structure enhances this advantage

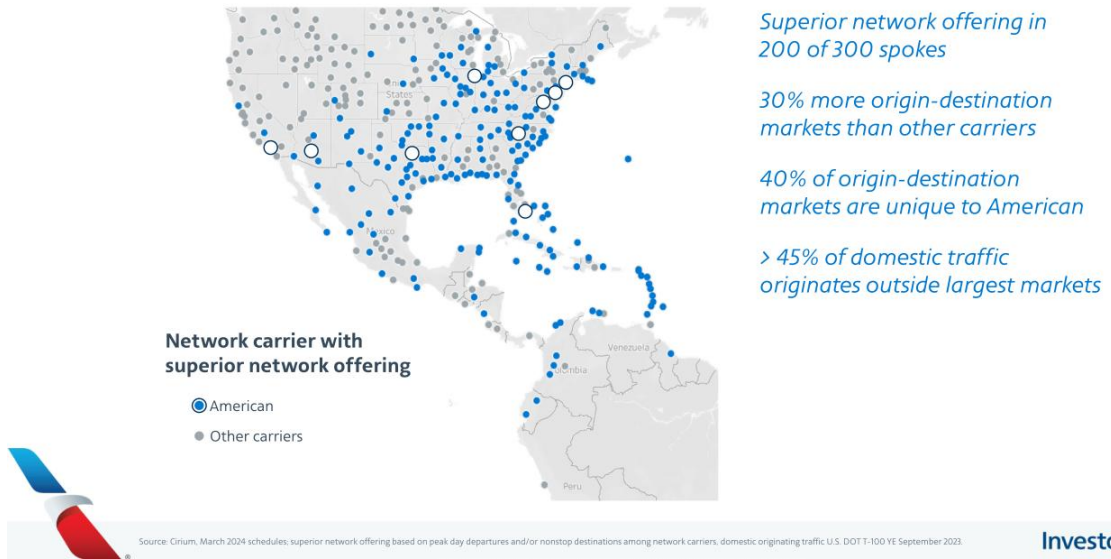
*Regional jets create access to more markets at low cost ...*

## Aircraft operating cost



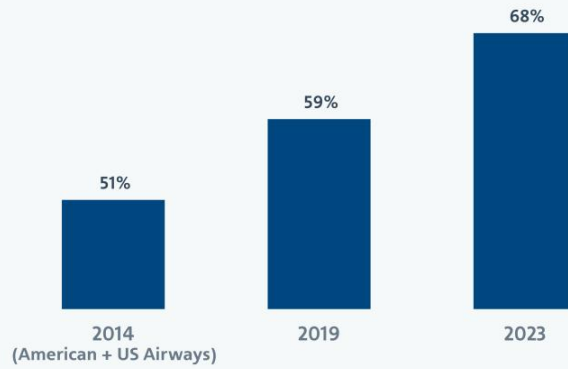
Note: Trip cost, B737/A321 vs 76-seat regional jet.  
Source: Internal analysis.

## As a result, our network creates the most value for customers



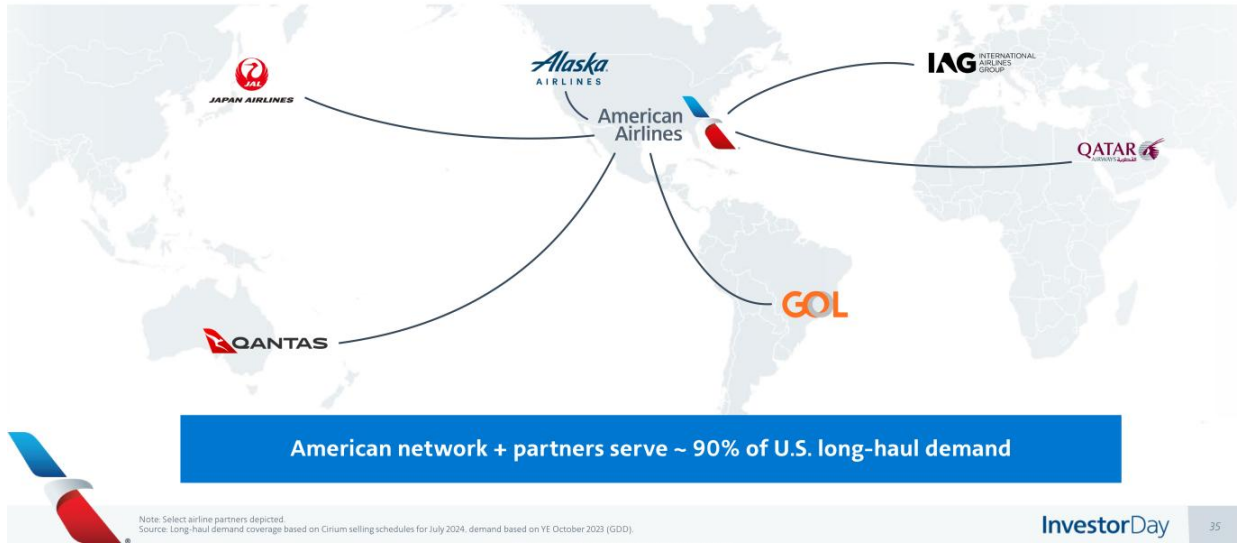
## The strength of this competitive advantage will continue to grow

Percentage of markets where American offers a superior network

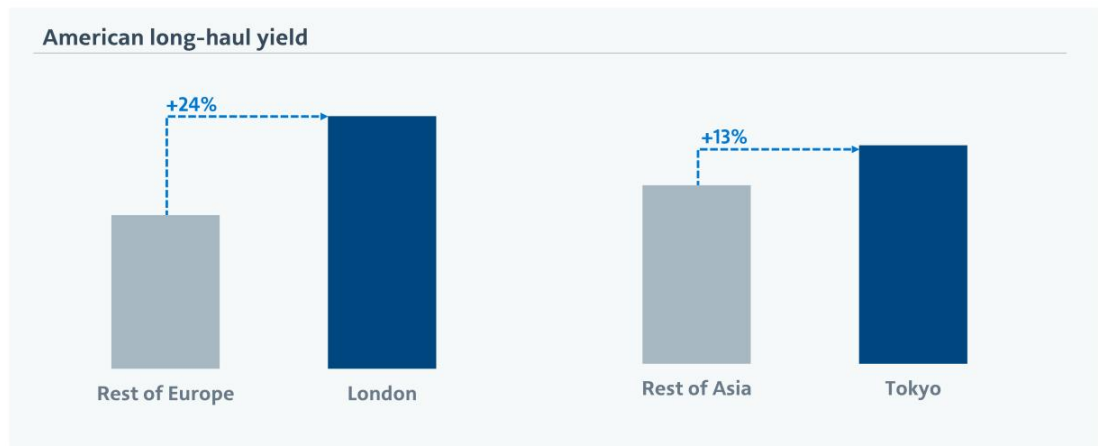


Source: Cirium, March 2024; Continental U.S. + short-haul Latin America spokes where American offers most peak day departures and/or most nonstop routes among network carriers.

## Our short-haul network also drives valuable partnerships with other high-quality carriers around the world



## And these partnerships enable us to serve customers in the highest-yielding global markets



Note: FY 19 stage length adjusted yield, LHR/TYO vs other markets in the geography served year-round.  
Source: Cirium.



# Fleet investment enables growth flexibility while also providing a hedge against demand volatility



**Widebodies:** fleet simplification > seasonal hub flexibility > higher utilization



# Fleet investment enables growth flexibility while also providing a hedge against demand volatility



A321XLR: versatility & improved economics



Note: A321XLR economics compared to existing aircraft deployed in trans-Atlantic/transcontinental markets. Source: Internal analysis.

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## Building the best network



Travel demand is **growing in small and mid-size markets**



Our **short-haul network is uniquely advantaged** in serving these customers at scale



This advantage will **continue to grow and drive value**



We are building a **profitable long-haul franchise** for customers in these markets based on our **short-haul network strength**, durable **air partnerships** and our efficient and versatile **long-haul fleet**



# Grow value for customers and investors



Building the best network

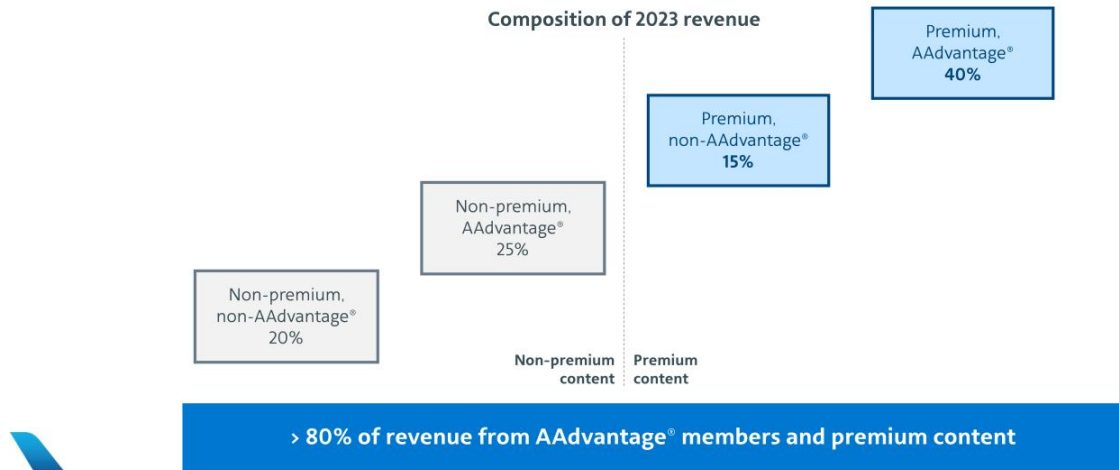


Building the best travel rewards program



Conclusion

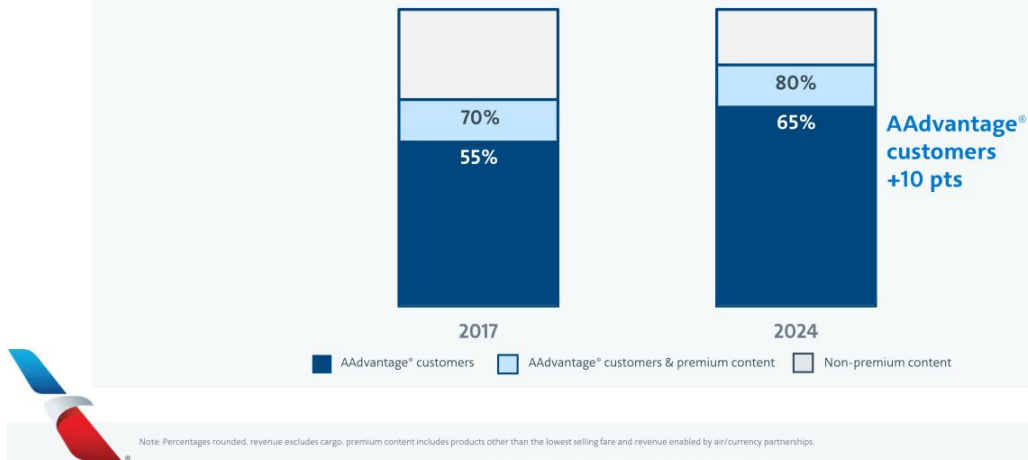
# Our revenue is increasingly driven by AAdvantage® customers who demand premium content



Note: Percentages rounded. revenue excludes cargo. premium content includes products other than the lowest selling fare and revenue enabled by air/currency partnerships.

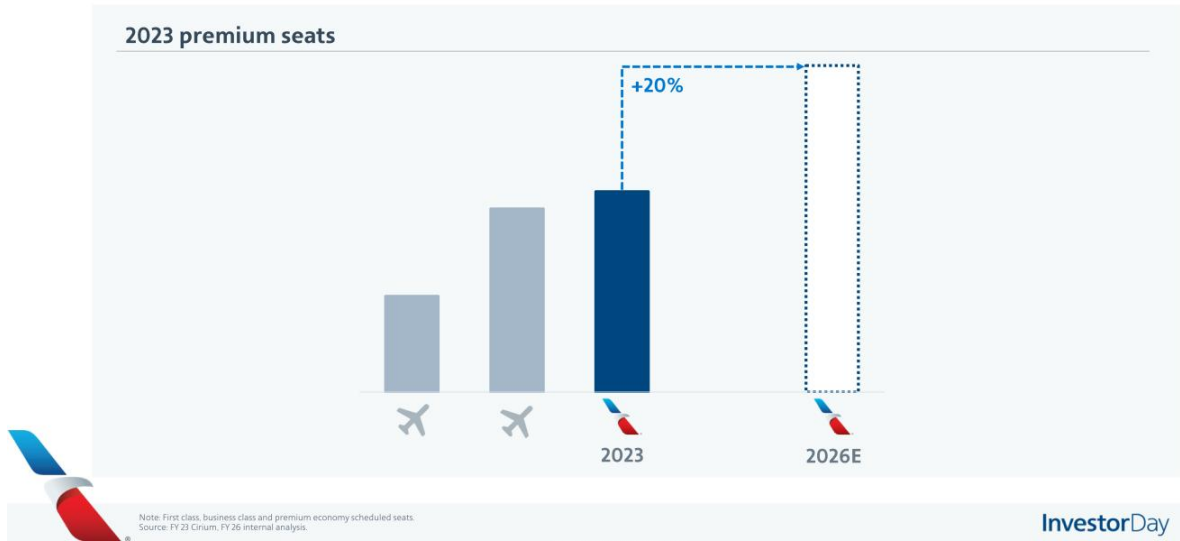
# Our revenue is increasingly driven by AAdvantage® customers who demand premium content

Percentage of revenue from AAdvantage® customers & premium content



# We offer more premium seats than any other airline

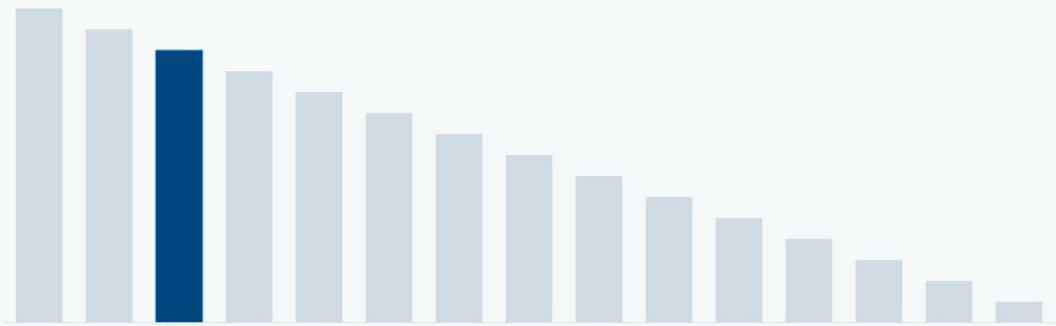
2023 premium seats



Note: First class, business class and premium economy scheduled seats.  
Source: FY 23 Cirium, FY 26 internal analysis.

## We have among the largest co-branded travel credit cards

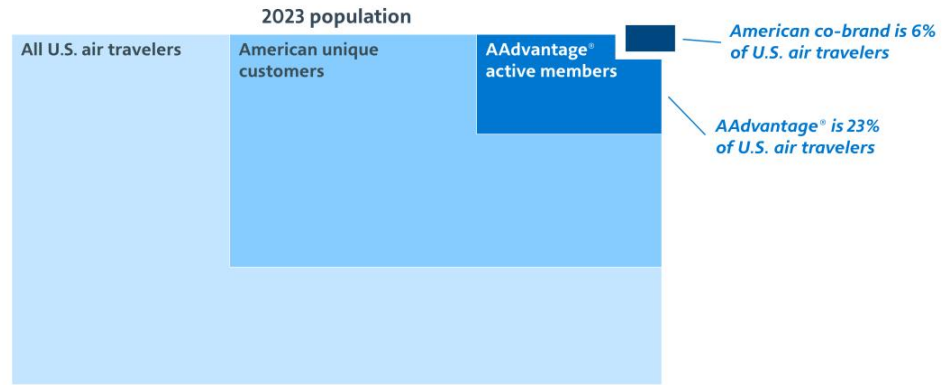
U.S. co-branded credit card programs by estimated purchase volume, 2023



Source: External analysis.



# Despite its size, AAdvantage® has significant growth potential



**AAdvantage® is underpenetrated in the travel landscape**



Note: Unique customers, active AAdvantage® members and AAdvantage® co-brand members based on YE November 2023.  
Source: Census Bureau, A4A, internal analysis.

# We are re-imagining AAdvantage® to drive value



Making it easy to be an AAdvantage® customer



Making AAdvantage® the most rewarding program

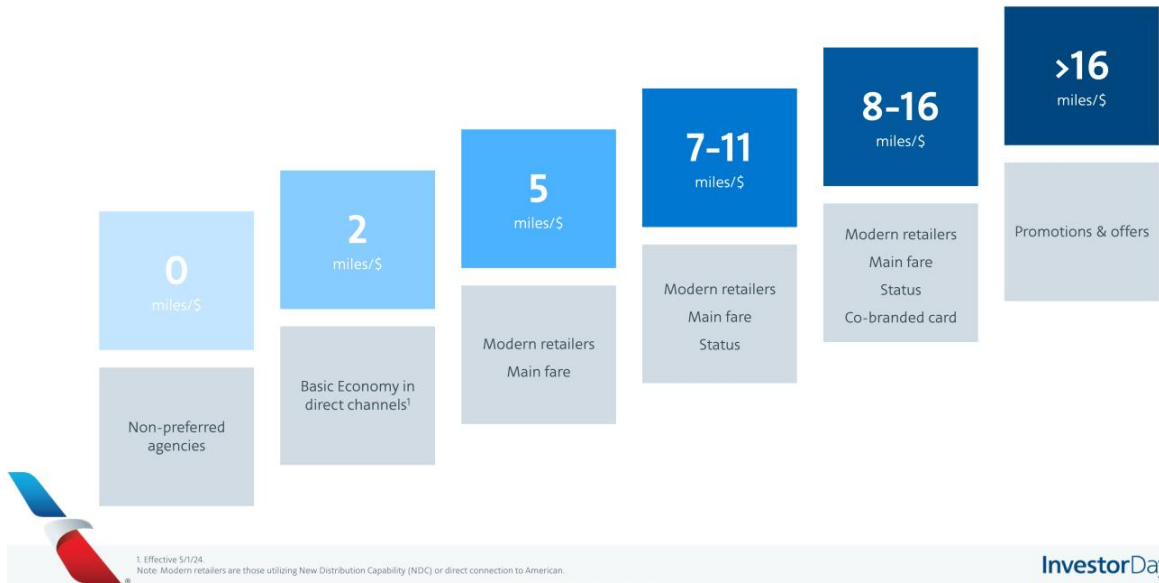


Differentiating the travel experience for AAdvantage® customers



Refreshing our AAdvantage® partnerships

# New AAdvantage® program makes earning easy

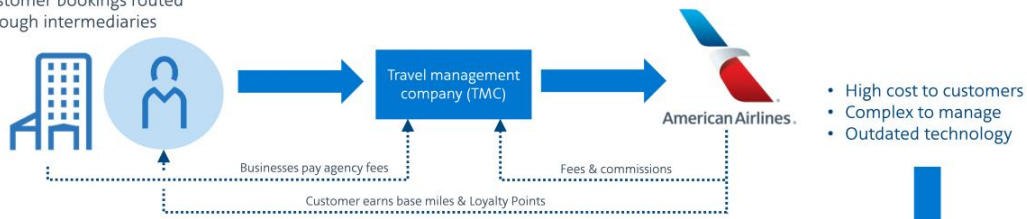


<sup>1</sup> Effective 5/1/24.  
Note: Modern retailers are those utilizing New Distribution Capability (NDC) or direct connection to American.

# The new AAdvantage®: Easier for companies and more efficient for American

## Traditional model

Customer bookings routed through intermediaries



- High cost to customers
- Complex to manage
- Outdated technology

## AAdvantage Business™

More rewarding for customers & businesses



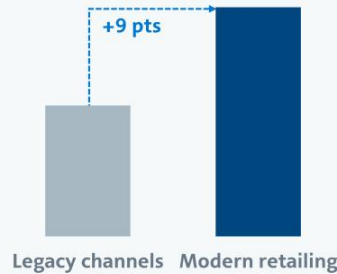
- 80% less expensive for customers
- 65% less expensive for American

Source: The Beat Research (January 2020), internal analysis.

# The new AAdvantage®: Modern distribution gives customers better content and better servicing

*Customers who use our distribution tools are more satisfied ...*

## Customer satisfaction



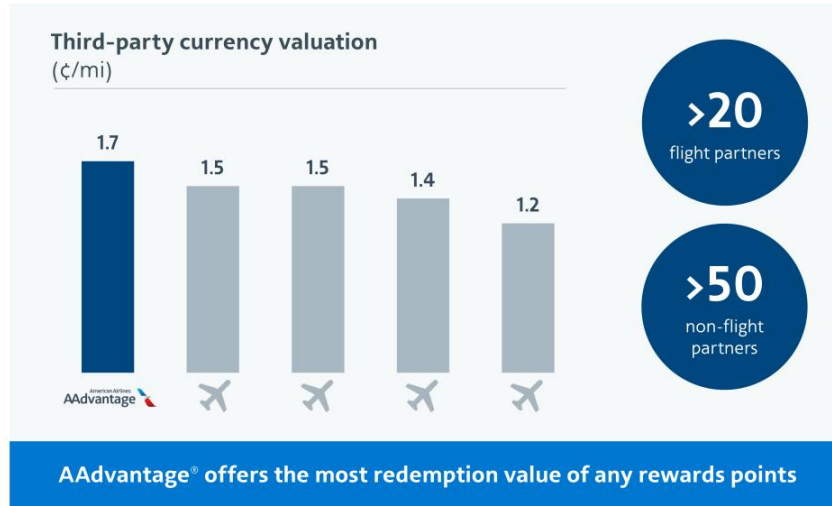
*... and this drives them to purchase premium content*

## Premium content contribution to customer revenue




Note. Customer satisfaction: FY 23 Net Promoter Score (NPS). Premium content: FY 23 customer revenue excludes cargo, premium content includes products other than the lowest selling fare and revenue enabled by air/currency partnerships.

## The new AAdvantage®: Miles take you further



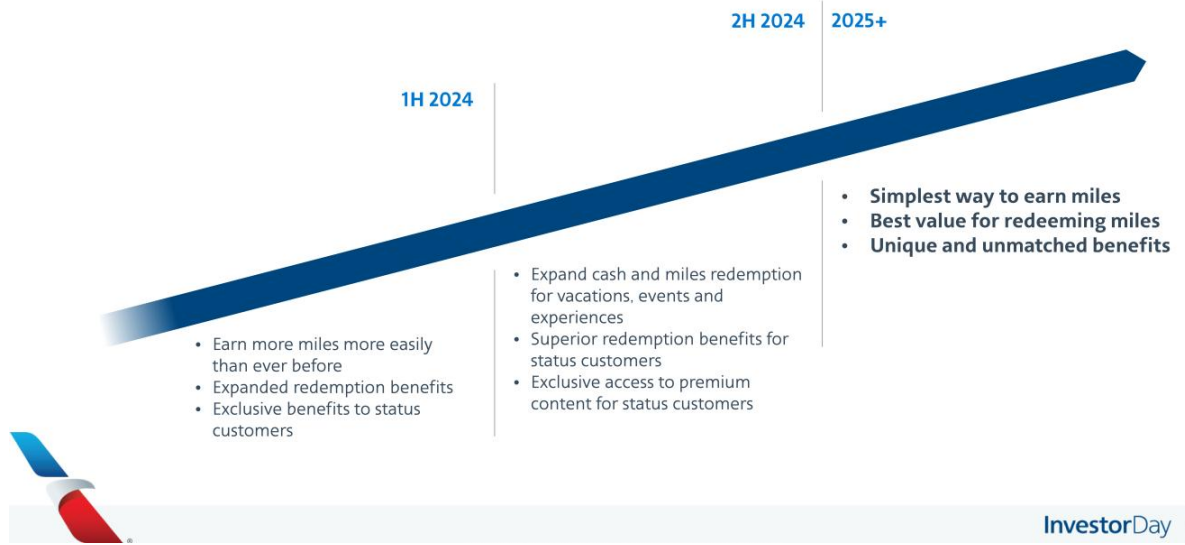
Source: NerdWallet

# The new AAdvantage®: Unique and unmatched benefits across the travel journey, unlocked with status

 <b>Shopping</b>	<ul style="list-style-type: none"><li>• More miles and exclusive content in digital channels</li><li>• 24-hour booking hold</li><li>• <i>Status members</i>: unique redemption offers</li></ul>
 <b>Servicing</b>	<ul style="list-style-type: none"><li>• 100% of purchases can be serviced digitally</li><li>• Expedited call center service</li></ul>
 <b>Airport</b>	<ul style="list-style-type: none"><li>• Same-day standby</li><li>• <i>Status members</i>: faster access</li><li>• <i>Status members</i>: first checked bag free</li></ul>
 <b>Lounges</b>	<ul style="list-style-type: none"><li>• Exclusive access to the lounge network with the most space per customer</li><li>• No visit restrictions</li></ul>
 <b>Inflight</b>	<ul style="list-style-type: none"><li>• Inflight dining pre-selection</li><li>• <i>Status members</i>: complimentary food/drink</li></ul>
 <b>Disruptions</b>	<ul style="list-style-type: none"><li>• Priority reaccommodation, including on non-partners</li><li>• Longer validity of trip credits</li></ul>



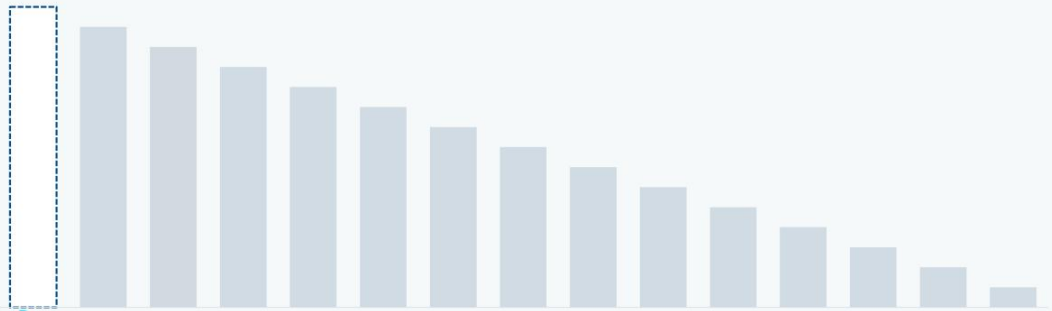
# The new AAdvantage®: Life is better as an AAdvantage® member





# The new AAdvantage®: Creating the largest card program with the best rewards network

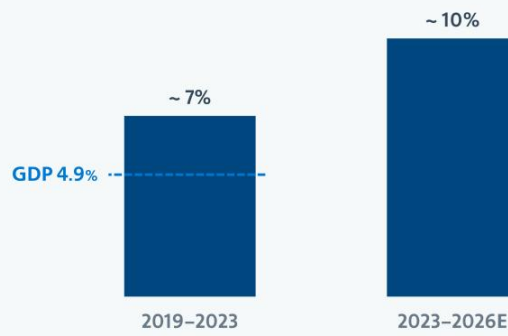
U.S. co-branded credit card programs by estimated purchase volume



Source: External analysis

# Our new card program will drive value at a greater rate than it does today

Co-branded remuneration annualized growth



Note: Co-branded revenue remuneration based on cash earned.

---

## Building the best travel rewards program



**80% of our revenues<sup>1</sup>** come from customers who demand quality travel experiences rather than the cheapest fare



**AAdvantage<sup>®</sup>** satisfies this demand by **rewarding customers who spend on higher-value products and services** in exchange for unique and unmatched travel benefits



We are **re-imagining AAdvantage<sup>®</sup>** to compound the **value created from our network**



To deliver this value creation we will **simplify AAdvantage<sup>®</sup>, expand benefits and re-commercialize our co-branded credit cards and other partnerships**



1. Excludes cargo revenue.

# Grow value for customers and investors



Building the best network




Building the best travel rewards program

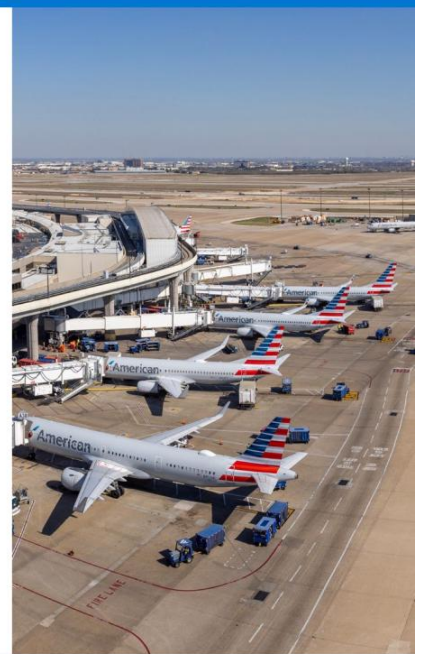


Conclusion

## We are uniquely positioned to produce durable earnings

 Our **short-haul network** is the foundation of value for customers and investors

 **AAdvantage**<sup>®</sup> – our travel rewards program – is our source of value growth for customers and investors



## American growing value for our customers and investors

Competitively advantaged short-haul network and air partnerships

Sustainable long-haul network growth

Re-imagined and competitively unique travel rewards program

**Industry-leading revenue growth that is durable across the business cycle**

A photograph of the American Airlines Integrated Operations Center. The room is filled with rows of computer workstations, each with multiple monitors. In the background, a large wall features a pattern of blue and white hexagons. A sign at the top of the wall reads "American Airlines Integrated Operations Center" with the airline's logo. The overall lighting is dim, with the primary light source being the screens and the hexagonal wall pattern.

American Airlines  
Integrated Operations Center

---

# Operational excellence

**DAVID SEYMOUR**  
CHIEF OPERATING OFFICER

# Compelling value-creating drivers

 <b>Fleet</b> Young & simplified	 <b>Operational excellence</b> Strong, reliable operation	 <b>Network</b> Strongest domestic & short-haul international network	 <b>Rewards</b> Leading travel rewards program & co-branded credit card opportunity	 <b>Reengineering the business</b> Asset utilization, productivity, procurement
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**Margin expansion**  
**Long-term free cash flow generation**

InvestorDay 60



**Delivering a  
reliable operation —  
efficiently.**



# Investing in operational resilience



Plan



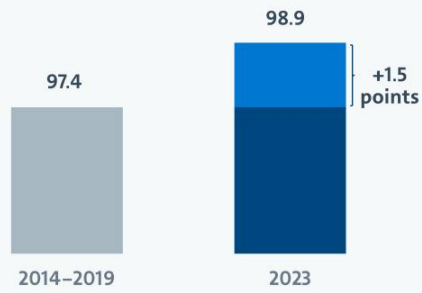
Execute



Recover

## A strong operational foundation

Historic full-year completion factor %



 **30,000**  
Additional flights

 **3 million**  
Passengers

 **~ \$350 million**  
Revenue

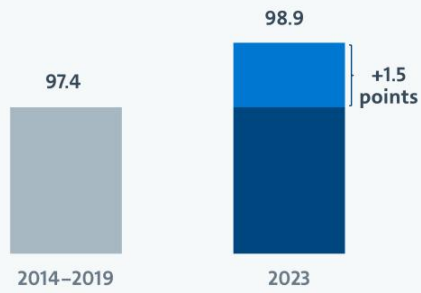
 **~ \$100 million**  
Net operating income benefit



Source: Representative internal data.

# A strong operational foundation

Historic full-year completion factor %



2023 full-year completion factor

% , Major network carriers' combined operation

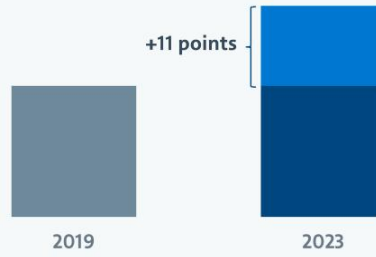


Source: Internal data.

Source: Internal data and maFlight.

## Our customers are noticing

Net Promoter Score  
2023 vs 2019



Source: Net Promoter Score.

## Driving further efficiencies



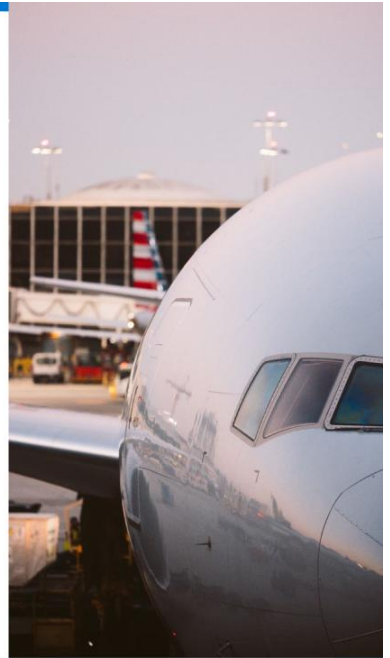
Workforce and schedule planning



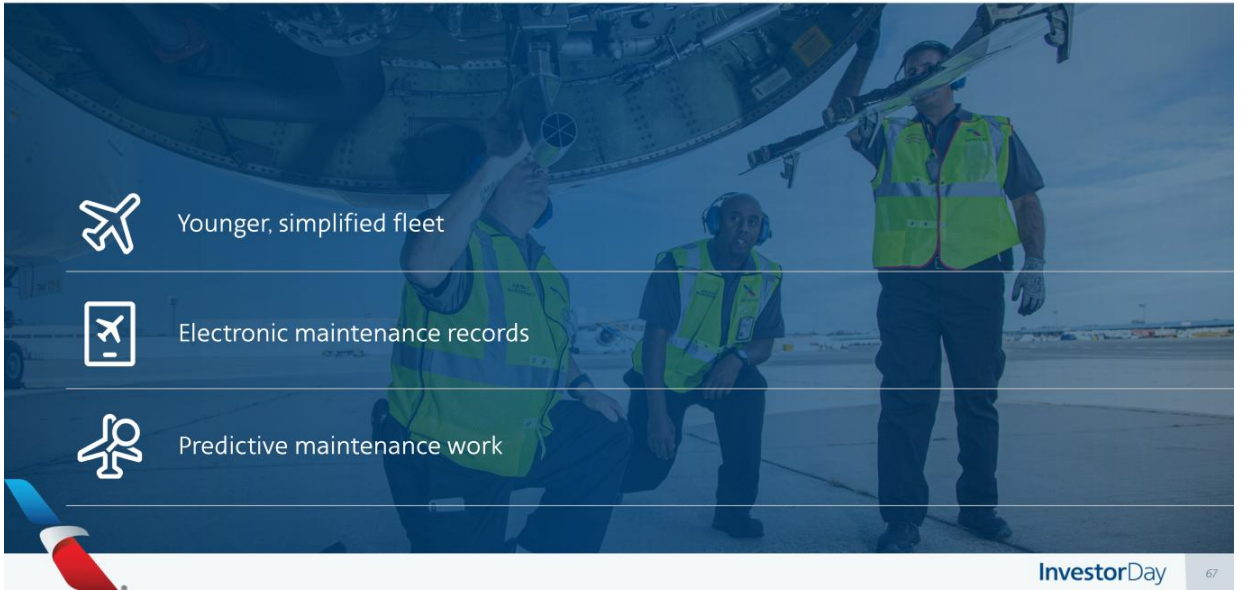
Asset utilization

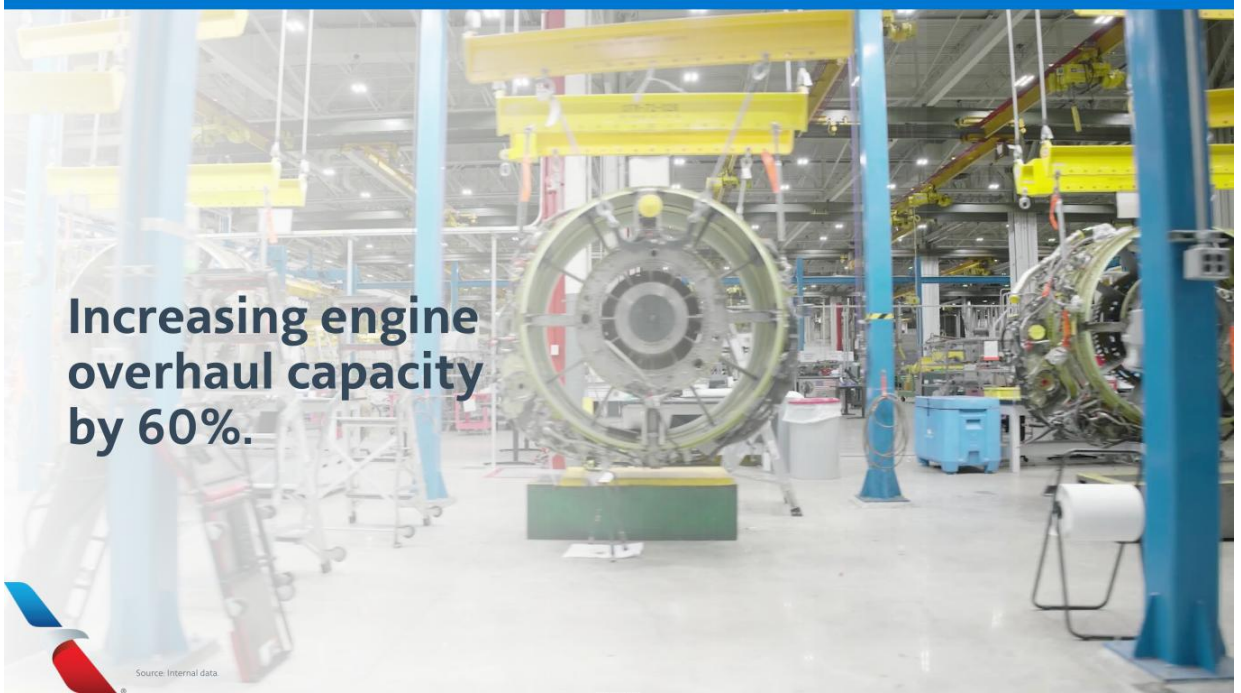


Decision support tools



## Improved utilization of our assets






**Increasing engine  
overhaul capacity  
by 60%.**




Source: Internal data.



## Using technology and big data to solve optimally

 Everyday decisions

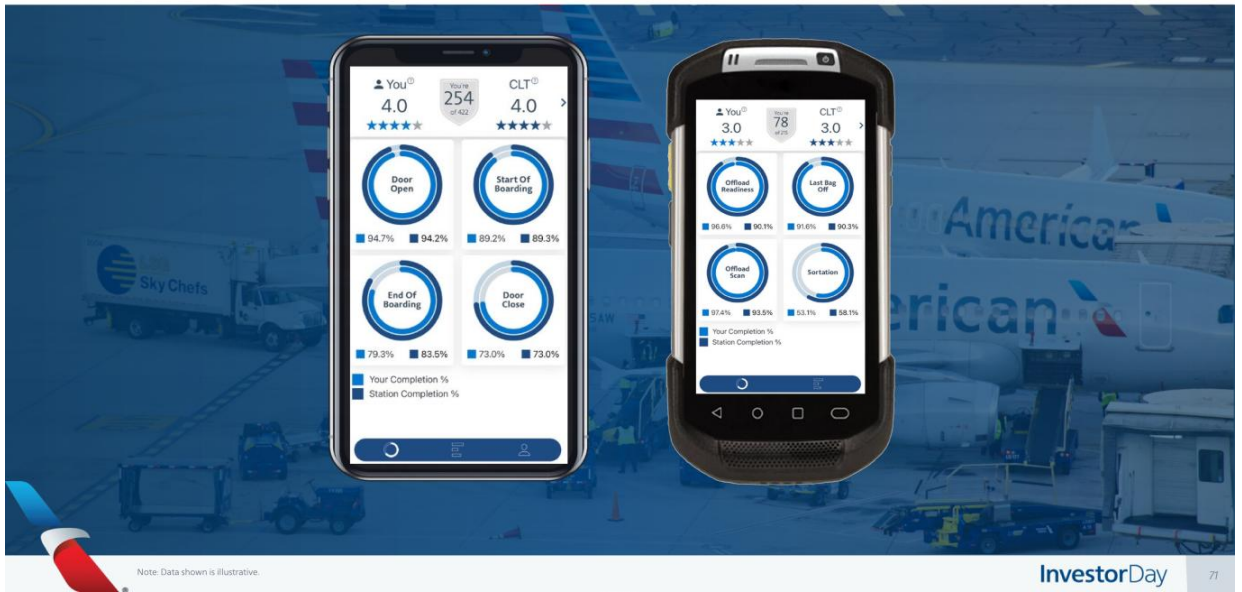
 Irregular operations




## Mastering the turn



# Visibility into performance

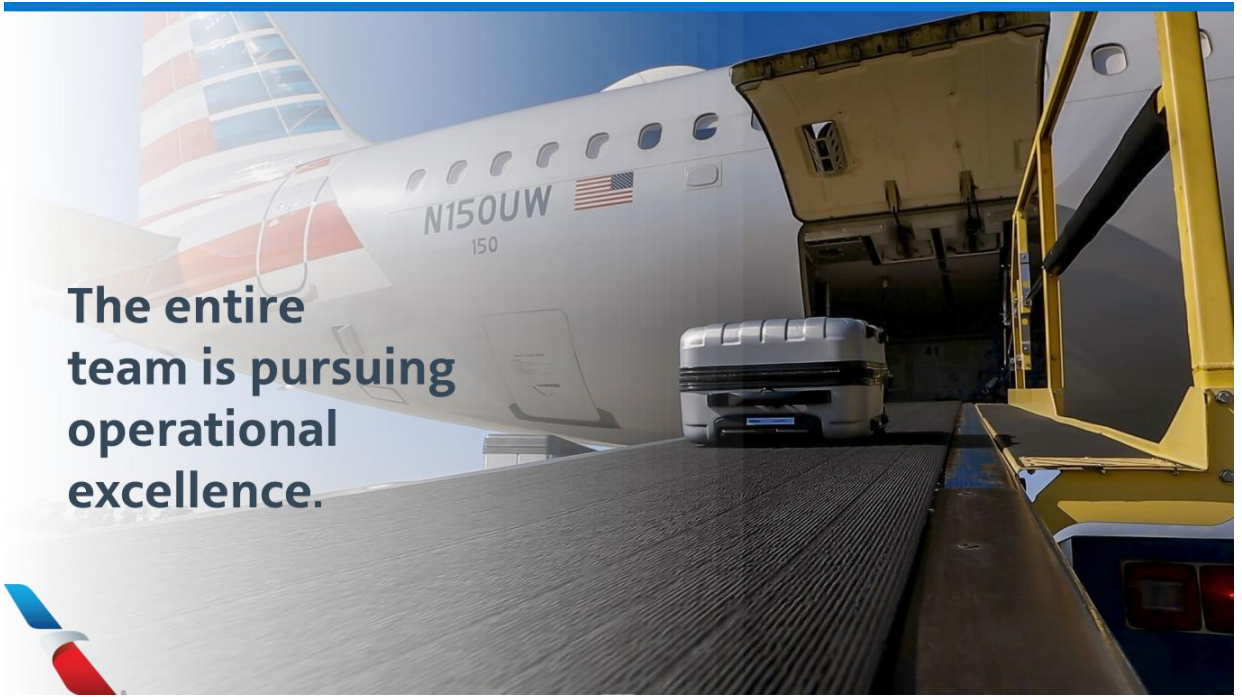


## Using technology and big data to solve optimally

 Everyday decisions

 Irregular operations



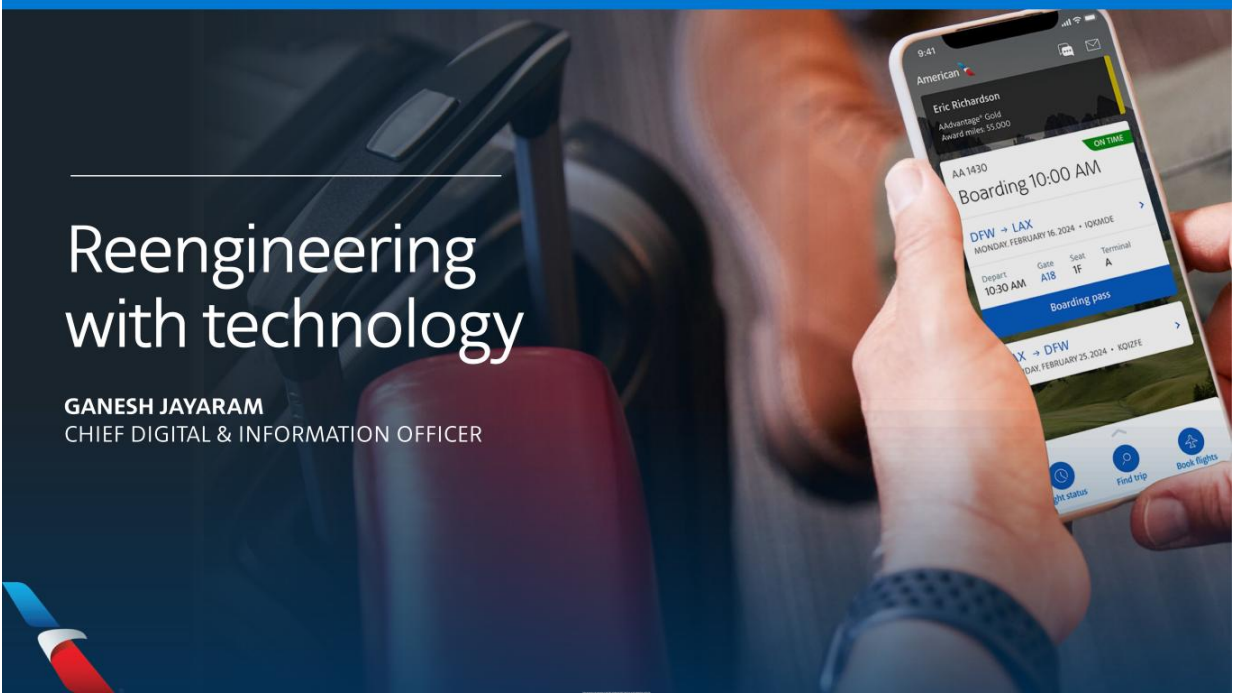


**The entire  
team is pursuing  
operational  
excellence.**

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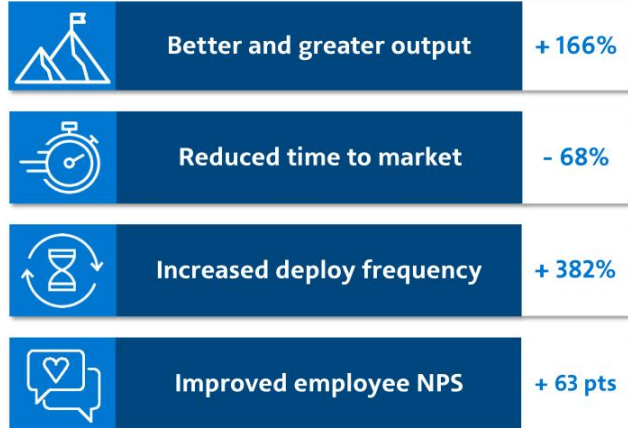
# Reengineering with technology

**GANESH JAYARAM**  
CHIEF DIGITAL & INFORMATION OFFICER



# Bringing experience of tech transformation to American

Better, faster, happier and > 100% ROI over three years

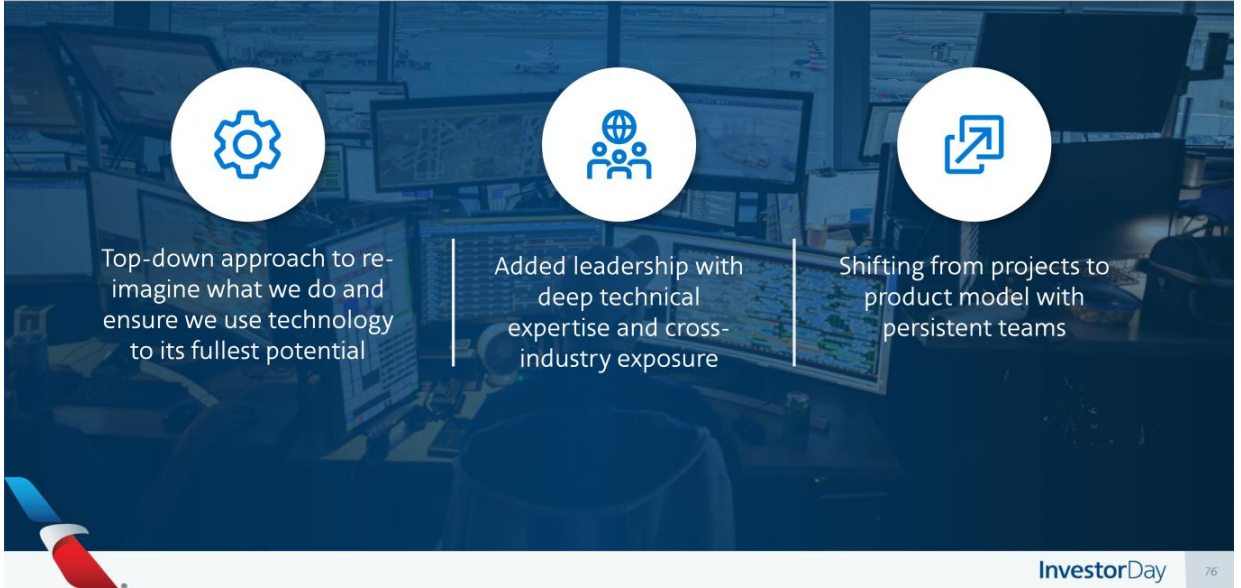



Source: Scrum Inc.


InvestorDay


75

## Driving to an organization wide tech-first mindset



 Top-down approach to re-imagine what we do and ensure we use technology to its fullest potential

 Added leadership with deep technical expertise and cross-industry exposure

 Shifting from projects to product model with persistent teams

InvestorDay 76



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## Leveraging technology to enable the strategy and reengineer the airline

### Smart Gating

- Launched in November 2021 and developed in-house at American
- Uses real-time flight data and machine learning to improve performance
- Helps shorten taxi times by 17 hours/day and saves >1.4M gallons of fuel/year

### HEAT

Hub Efficiency  
Analytics Tool

- Launched in April 2022 and developed in-house at American
- Adjusts operations during major weather events
- Prevented more than 1,000 cancellations since launch



Source: Internal data.

# Leveraging technology to enable the strategy and reengineer the airline

## eAML: Electronic Aircraft Maintenance Log



- Developed in-house at American
- Digital replacement of an aircraft's physical maintenance logbook, utilizing best-in-class satellite Wi-Fi
- Less customer disruption and higher NPS due to fewer delays and higher completion factor



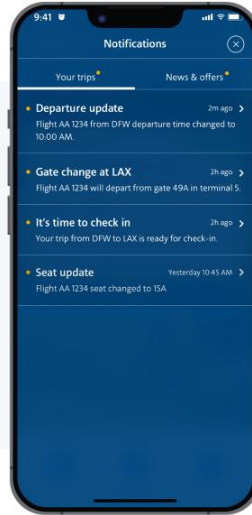
Source: Internal data.

# Leveraging technology to enable the strategy and reengineer the airline

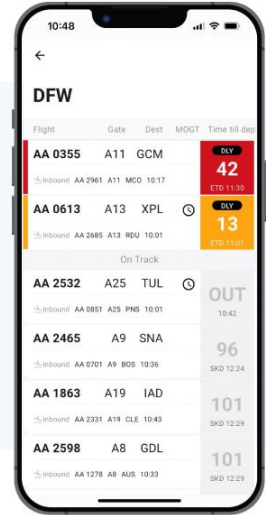
- Simpler, more intuitive user interface for customers and team members
- Microservices, platforms and cloud hosting to enable scalability
- Agile development and delivery mindset



Note: Data shown is illustrative.



**Mobile App**  
Customer notifications



**GET STAT**  
Situational Turn Awareness Tool

## Technology is driving efficiencies and delivering best-in-class products



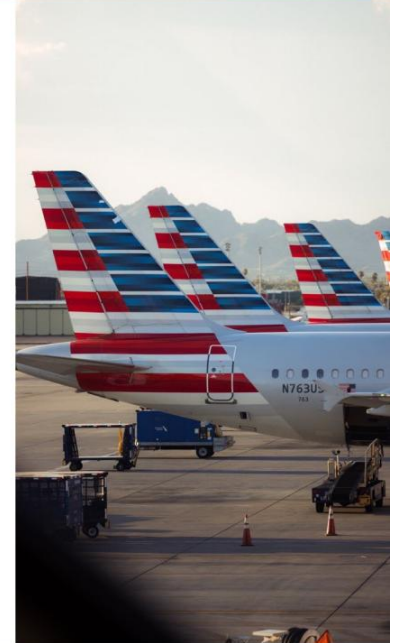
Driving to an organization wide tech-first mindset



Leveraging technology to enable the strategy and reengineer the airline



Launching industry-leading digital products with higher levels of personalization, resiliency and security





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# Leading performance and accountability

**COLE BROWN**  
CHIEF PEOPLE OFFICER

## Fostering accountability and high-performing teams



Introduction and joining American



Hiring: The right talent in the right place



Culture of performance and accountability



## Fostering accountability and high-performing teams



Introduction and joining American



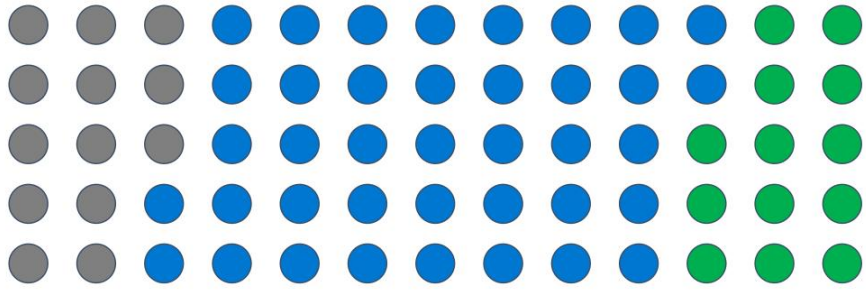
**Hiring: The right talent in the right place**






Culture of performance and accountability



## Officer team



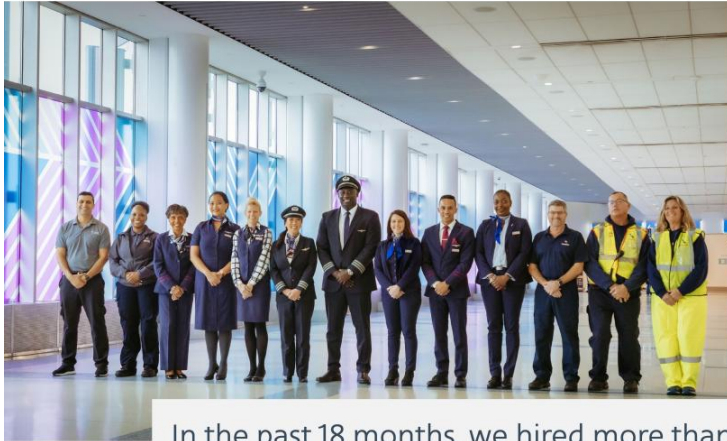
-  Internal: Incumbents
-  Internal: New position
-  External



Source: Internal data.



## We continue to attract talent for roles across the airline



Since the pandemic, **25%** of the team is new to American.

In the past 18 months, we hired more than **40,000** team members across the workgroups representing the airline.



Source: Internal data.

## We continue to attract talent for roles across the airline



Since the pandemic, **25%** of the team is new to American.

In the past 18 months, we brought on more than **40,000** team members, including:

- 4,200 Pilots
- 2,300 Dispatchers and Technical Operations



Source: Internal data.

## Fostering accountability and high-performing teams



Introduction and joining American



Hiring: The right talent in the right place



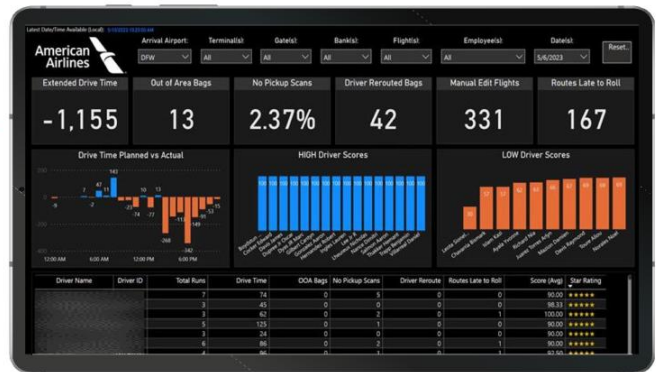
**Culture of performance and accountability**



# Fostering accountability and high-performing teams

## Changing culture: Performance, measurement and accountability

- Revamped our talent, planning and performance management processes
- More rigorous approach to assess, select, hire, promote and reward talent



Note: Data shown is illustrative.



**We are a different airline.  
Our culture has changed to  
one focused on performance,  
delivery and accountability.**

---

# A culture of performance and accountability



Winning for our stakeholders



Right talent in the right place



Unleash and empower team members



Accountability

---

# Maximizing value creation

**DEVON MAY**  
CHIEF FINANCIAL OFFICER



# Compelling value-creating drivers



**Fleet**  
Young & simplified

**Operational excellence**  
Strong, reliable operation

**Network**  
Strongest domestic & short-haul international network

**Rewards**  
Leading travel rewards program & co-branded credit card opportunity

**Reengineering the business**  
Asset utilization, productivity, procurement

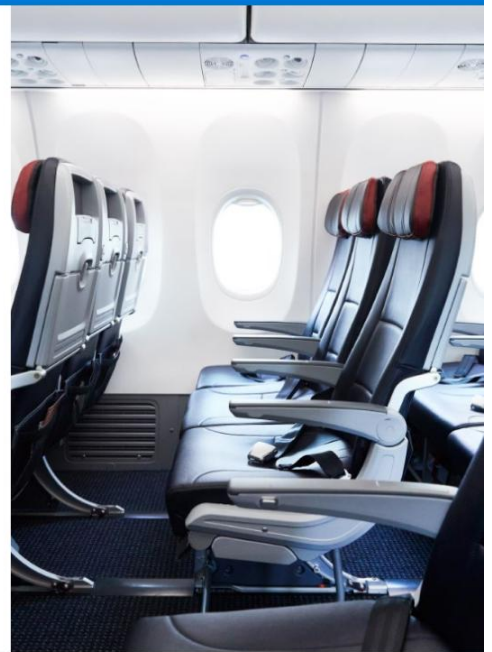
**Margin expansion**  
**Long-term free cash flow generation**

InvestorDay 92



## Fleet transformation: 2014–2022










- **630 new deliveries and 580 retirements**
- **Largest reconfiguration program in aviation history**
  - 505 aircraft
  - Added premium seats
  - Optimized configuration
  - Wi-Fi, large bins
- **Result is incredibly consistent and efficient fleet**



Source: Internal data.

# Fleet simplification

Prior to simplification, American operated **nine different fleet types**

Aircraft Families	2019
777	
787	
A320 family	
737	
A330	
767	
757	
MD-80	
E190	



# Fleet simplification

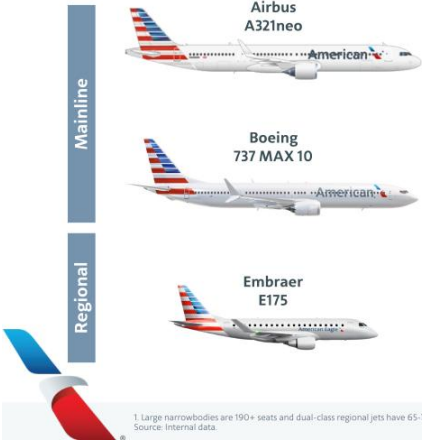
Mainline fleet **reduced to four aircraft families**



# Order supports gauge and premium growth

New aircraft order for 85 Airbus A321neo, 85 Boeing 737 MAX 10 and 90 Embraer E175  
 Smooths deliveries and aircraft capex over the decade (\$3-\$3.5B)

## New aircraft order



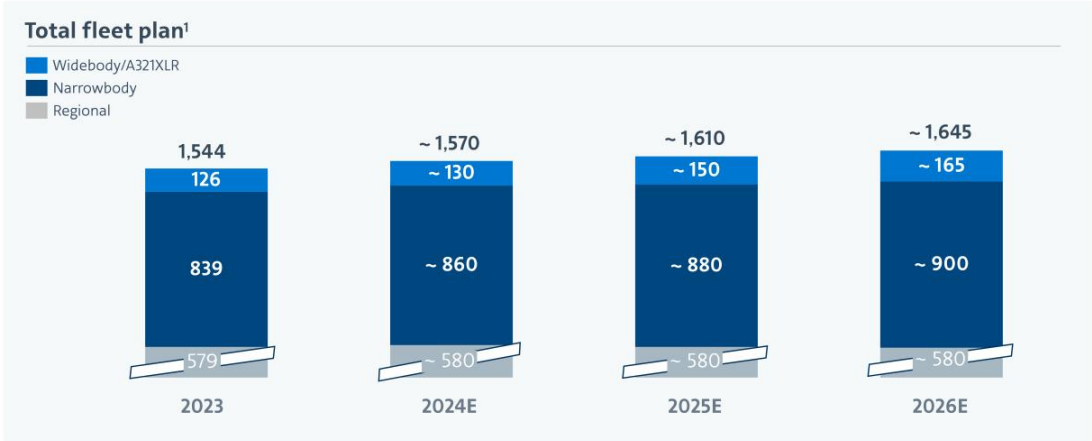
## Large narrowbody and dual-class regional share<sup>1</sup>



<sup>1</sup> Large narrowbodies are 190+ seats and dual-class regional jets have 65-76 seats. Source: Internal data.

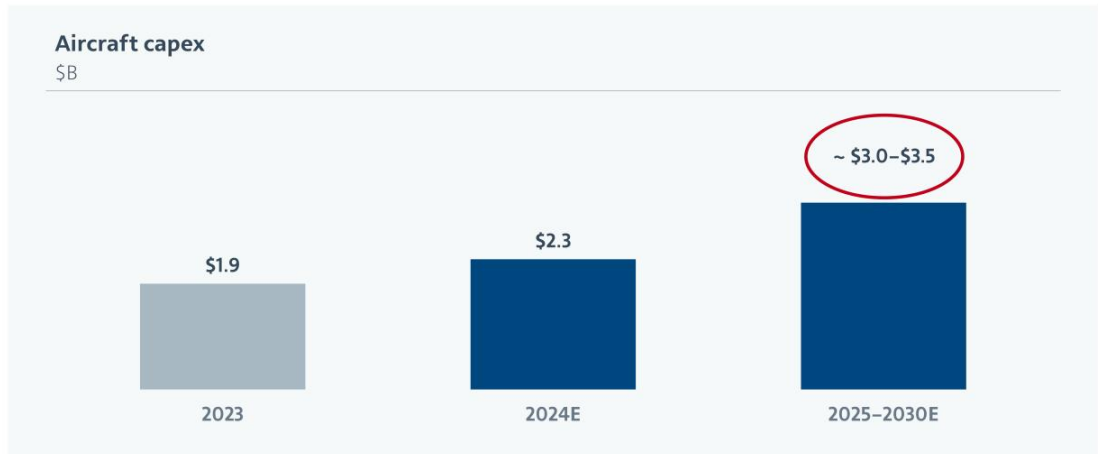
# Fleet plan enables flexibility

No mainline retirements required through 2030  
Focus on larger regional aircraft will continue to drive network connectivity



<sup>1</sup> Fleet counts at year end. 2023 regional count is inclusive of 23 regional aircraft planned to return to service in 2024. Delivery schedule represents our best estimate as of the date of this presentation. Actual delivery dates are subject to change, which could be material based on various potential factors including production delays by the manufacturer and regulatory concerns.  
Source: Internal data.

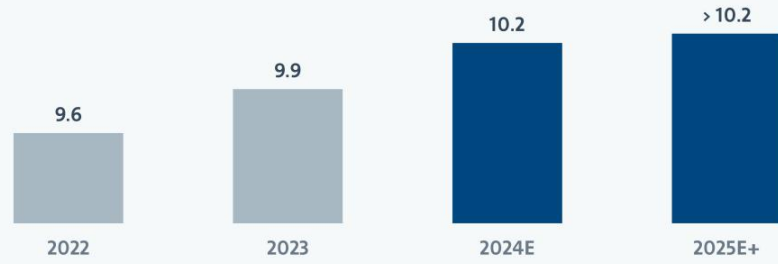
## Modest aircraft capex requirements



Source: Airline financials.

# Optimized fleet and strong operation allows for improved aircraft utilization

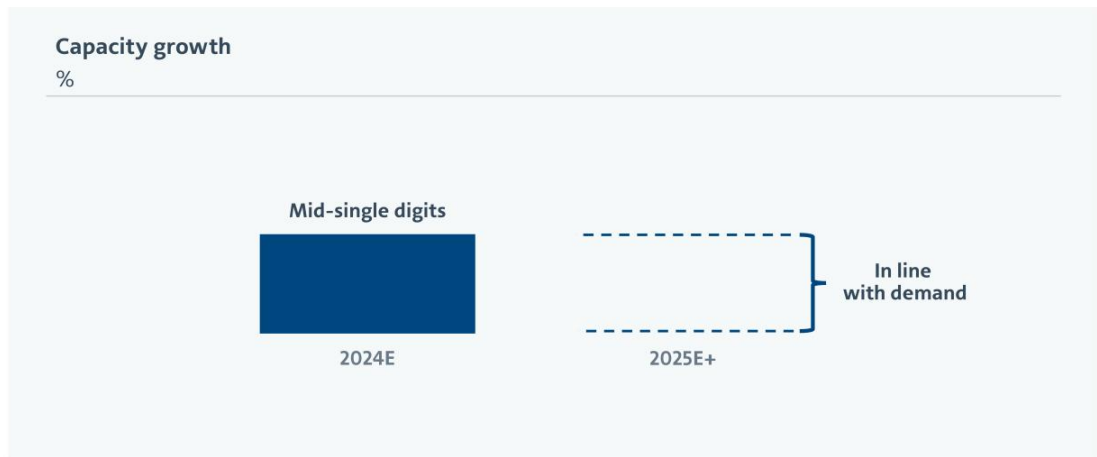
Mainline aircraft utilization



Source: Internal data.

# Capacity expectations

Fleet flexibility allows us to match capacity with demand





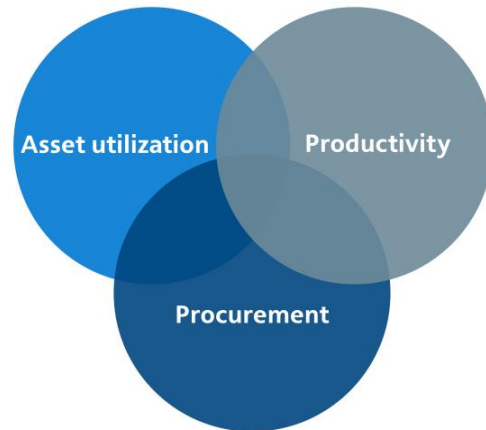
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# Reengineering the business



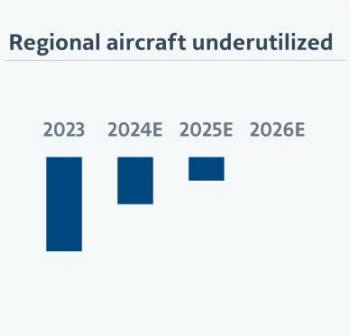
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**Reengineering the  
business targets  
over \$1B in run-  
rate savings**



# Improve asset utilization

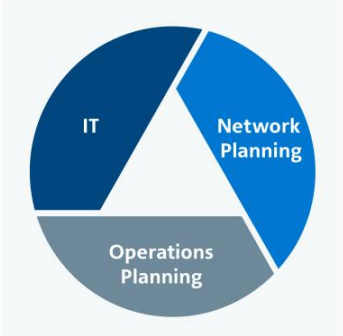
## Full supportability of the regional fleet



## Increase productive aircraft counts



## Network efficiency



# Enhancing productivity



Modern  
planning  
& scheduling  
tools



Onboarding &  
training



Day-of  
optimization



Individual data  
& accountability



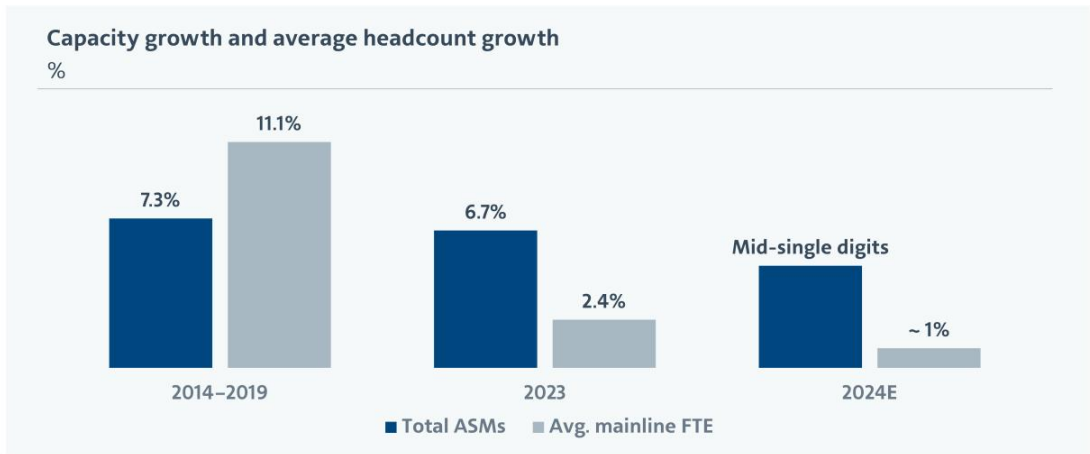
Self-service  
tools

Underpinned by modern technology and streamlined processes



# Growing efficiently and enhancing productivity

New tools and processes enable efficient and productive growth to drive unit cost improvement



Source: Internal data.

# Transforming procurement

## Our focus



Modernize procurement operating model



Strategic category management



Improve net working capital



Digital automation



Source: Internal data.

## Third-party spend category

~ \$30B



■ Fuel ■ Other third-party spend

# Best-in-class unit cost performance

Focus on cost control and fleet-related efficiencies has resulted in the lowest unit cost growth among network carriers



<sup>1</sup> CASM excluding fuel, special items, third party, refinery, and profit sharing and is a non-GAAP measure. See GAAP to non-GAAP reconciliation for American Airlines CASM-ex in Appendix.  
Source: U.S. Bureau of Labor Statistics, Airline financials.

# CASM-ex inside inflation



Note: The Company is unable to fully reconcile certain forward-looking guidance to the corresponding GAAP measure because the full nature and amount of net special items cannot be determined at this time.  
<sup>1</sup> CASM excluding fuel, special items and profit sharing and is a non-GAAP measure. See GAAP to non-GAAP reconciliation in Appendix.  
Source: Airline financials.



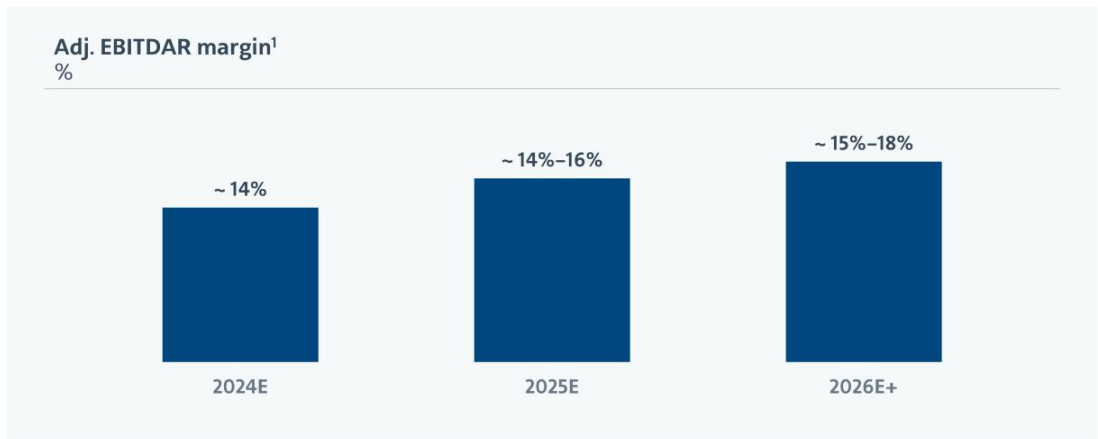
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# Financial targets



# Adj. EBITDAR margin expansion

We expect to expand margins with continued operational outperformance, commercial innovation and unit cost efficiency

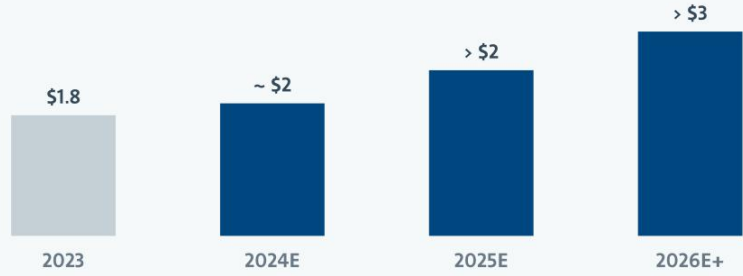


Note: The Company is unable to fully reconcile certain forward-looking guidance to the corresponding GAAP measure because the full nature and amount of net special items cannot be determined at this time.  
1. Adjusted EBITDAR is defined as earnings excluding the impact of net special items before net interest and other nonoperating expenses, taxes, depreciation, amortization and aircraft rent. Adjusted EBITDAR margin is a non-GAAP measure.

# Free cash flow generation

Earnings targets coupled with moderate capex profile are expected to result in FCF of at least \$2B per year through 2025

Free cash flow<sup>1</sup>  
\$B



Note: The Company is unable to fully reconcile certain forward-looking guidance to the corresponding GAAP measure because the full nature and amount of net special items cannot be determined at this time.  
1 Adjusted free cash flow is defined as net cash provided by operating activities less net cash used in investing activities, adjusted for (1) net sales of short-term investments and (2) change in restricted cash. Adjusted free cash flow is a non-GAAP measure. See GAAP to non-GAAP reconciliation in Appendix.

# Balance sheet strengthening

Total debt reduced by ~ \$11.4 billion<sup>1</sup> from peak levels and have achieved over 75% of our \$15 billion debt reduction goal<sup>2</sup>



<sup>1</sup> As of December 31, 2023.  
<sup>2</sup> Goal to reduce total debt from peak levels in 2Q 2021 by \$15 billion by YE 2025.  
<sup>3</sup> Total debt includes debt, finance and operating lease liabilities and pension obligations.

# Financial targets

	2024E	2025E	2026E+
Adj. EBITDAR margin <sup>1</sup>	~ 14%	~ 14%–16%	~ 15%–18%
Free cash flow <sup>2</sup>	~ \$2B	> \$2B	> \$3B
Total debt <sup>3</sup>	~ \$41B	~ \$39B	< \$35B



Note: The Company is unable to fully reconcile certain forward-looking guidance to the corresponding GAAP measure because the full nature and amount of net special items cannot be determined at this time.  
1. Adjusted EBITDAR margin is a non-GAAP measure. Adjusted EBITDAR is defined as earnings excluding the impact of net special items before net interest and other nonoperating expenses, taxes, depreciation, amortization and aircraft rent.  
2. Adjusted free cash flow is a non-GAAP measure. Adjusted free cash flow is defined as net cash provided by operating activities less net cash used in investing activities, adjusted for (1) net sales of short-term investments and (2) change in restricted cash.  
3. Total debt includes debt, finance and operating lease liabilities and pension obligations.

## American is well-positioned to create value

### Commercial opportunities



Fleet



Network



Rewards

### Focused execution



Operational  
excellence



Reengineering  
the business

Margin expansion

Long-term free cash flow generation



# Appendix

## GAAP to non-GAAP reconciliation

The Company sometimes uses financial measures that are derived from the condensed consolidated financial statements or otherwise provided in the form of guidance but that are not presented in accordance with GAAP to understand and evaluate its current operating performance and to allow for period-to-period comparisons. The Company believes 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. The Company is providing a reconciliation of reported non-GAAP financial measures to their comparable financial measures on a GAAP basis. The tables below present the reconciliation of pre-tax income (loss) (GAAP measure) to pre-tax income (loss) excluding net special items (non-GAAP measure) and total operating costs per ASM (CASM) to CASM excluding net special items, fuel and profit sharing. Management uses CASM excluding net special items, fuel and profit sharing to evaluate the Company's current operating performance and to allow for period-to-period comparisons. Net special items may vary from period-to-period in nature and amount. The price of fuel, over which the Company has no control, impacts the comparability of period-to-period financial performance. Excluding profit sharing allows a more meaningful comparison of the Company's core operating costs to the airline industry. These adjustments provide an additional tool to understand and analyze the Company's non-fuel costs and core operating performance.

Reconciliation of Pre-Tax Income (Loss) Excluding Net Special Items	12 Months Ended December 31,				
	2019	2020	2021	2022	2023
Pre-tax income (loss) as reported	\$ 2,256	\$ (11,453)	\$ (2,548)	\$ 186	\$ 1,121
Pre-tax net special items:			(in millions)		
Mainline operating special items, net <sup>(1)</sup>	635	(657)	(4,006)	193	971
Regional operating special items, net <sup>(2)</sup>	6	(309)	(449)	5	8
Nonoperating special items, net <sup>(3)</sup>	3	170	60	74	362
Total pre-tax net special items	644	(796)	(4,395)	272	1,341
Pre-tax income (loss) excluding net special items	\$ 2,900	\$ (12,249)	\$ (6,943)	\$ 458	\$ 2,462

Reconciliation of CASM Excluding Net Special Items, Fuel and Profit Sharing	12 Months Ended December 31,		CAGR 2019 to 2023
	2019	2023	
Total operating expenses per ASM as reported	14.98	17.92	
Mainline operating special items, net <sup>(1)</sup>	(0.22)	(0.35)	
Regional operating special items, net <sup>(2)</sup>	-	-	
Aircraft fuel and related taxes	(3.30)	(4.41)	
Profit sharing	(0.07)	(0.09)	
Total operating expenses per ASM excluding net special items, fuel and profit sharing	11.38	13.05	3.5%

Note: Amounts may not recalculate due to rounding.





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# GAAP to non-GAAP reconciliation

## Footnotes:

<sup>(1)</sup> The 2019 twelve month period mainline operating special items, net principally included \$271 million of fleet restructuring expenses, a \$213 million non-cash impairment charge principally related to the retirement of the Company's Embraer E190 fleet and \$191 million of merger integration expenses, offset in part by a \$53 million credit to reduce certain litigation reserves.

The 2020 twelve month period mainline operating special items, net principally included \$3.7 billion of Payroll Support Program (PSP) financial assistance, offset in part by \$1.5 billion of fleet impairment charges, \$1.4 billion of salary and medical costs primarily associated with certain team members who opted into voluntary early retirement programs offered as a result of reductions to the Company's operation due to the COVID-19 pandemic and \$228 million of one-time labor contract expenses due to the ratification of a new contract with the Company's maintenance and fleet service team members, including signing bonuses and adjustments to vacation accruals resulting from pay rate increases. Fleet impairment charges resulted from the retirement of certain aircraft earlier than planned driven by the severe decline in air travel due to the COVID-19 pandemic.

The 2021 twelve month period mainline operating special items, net principally included \$4.2 billion of PSP financial assistance, offset in part by \$168 million of salary and medical costs primarily associated with certain team members who opted into voluntary early retirement programs offered as a result of reductions to the Company's operation due to the COVID-19 pandemic.

The 2022 twelve month period mainline operating special items, net principally included a non-cash impairment charge to write down the carrying value of the Company's retired Airbus A330 fleet to the estimated fair value due to the market conditions for certain used aircraft. The Company retired its Airbus A330 fleet in 2020 as a result of the severe decline in demand for air travel due to the COVID-19 pandemic.

The 2023 twelve month period mainline operating special items, net principally included \$989 million of one-time charges resulting from the ratification of a new collective bargaining agreement with our mainline pilots, including a one-time payment of \$754 million as well as adjustments to other benefit-related items of \$235 million.

<sup>(2)</sup> The 2020 twelve month period regional operating special items, net included \$444 million of PSP financial assistance, offset in part by a \$117 million non-cash charge to write down regional aircraft and spare parts associated with certain Embraer 140 and Bombardier CRJ200 aircraft, which were retired as a result of the severe decline in air travel due to the COVID-19 pandemic.

The 2021 twelve month period regional operating special items, net principally included \$539 million of PSP financial assistance, offset in part by a \$61 million charge associated with the regional pilot retention program which provides for, among other things, a cash retention bonus paid in the fourth quarter of 2021 to eligible captains at the wholly owned regional airlines included on the pilot seniority list as of September 1, 2021 and a \$27 million non-cash charge to write down regional aircraft resulting from the retirement of the remaining Embraer 140 fleet earlier than planned.

<sup>(3)</sup> Principally included charges associated with debt refinancings and extinguishments as well as mark-to-market net unrealized gains and losses associated with certain equity investments and treasury rate lock derivative instruments.



# GAAP to non-GAAP reconciliation

The Company's free cash flow summary is presented in the table below, which is a non-GAAP measure that management believes is useful information to investors and others in evaluating the Company's ability to generate cash from its core operating performance that is available for use to reinvest in the business or to reduce debt. The Company defines free cash flows as net cash provided by operating activities less net cash used in investing activities, adjusted for (1) net sales of short-term investments and (2) change in restricted cash. We believe that calculating free cash flow as adjusted for these items is more useful for investors because short-term investment activity and restricted cash are not representative of activity core to our operations.

This non-GAAP measure 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. Our calculation of free cash flow is not intended, and should not be used, to measure the residual cash flow available for discretionary expenditures because, among other things, it excludes mandatory debt service requirements and certain other non-discretionary expenditures.

Reconciliation of Free Cash Flow	Year Ended December 31, 2023	
	(in millions)	
Net cash provided by operating activities	\$	3,803
Adjusted net cash used in investing activities <sup>(1)</sup>		(1,997)
Free cash flow	\$	1,806

<sup>(1)</sup> The following table provides a reconciliation of adjusted net cash used in investing activities for the year ended December 31, 2023 (in millions):

Net cash used in investing activities	\$	(502)
Adjustments:		
Net sales of short-term investments		(1,538)
Decrease in restricted cash		43
Adjusted net cash used in investing activities	\$	(1,997)



