InvestorDay

American Airlines

MARCH 4, 2024

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.

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

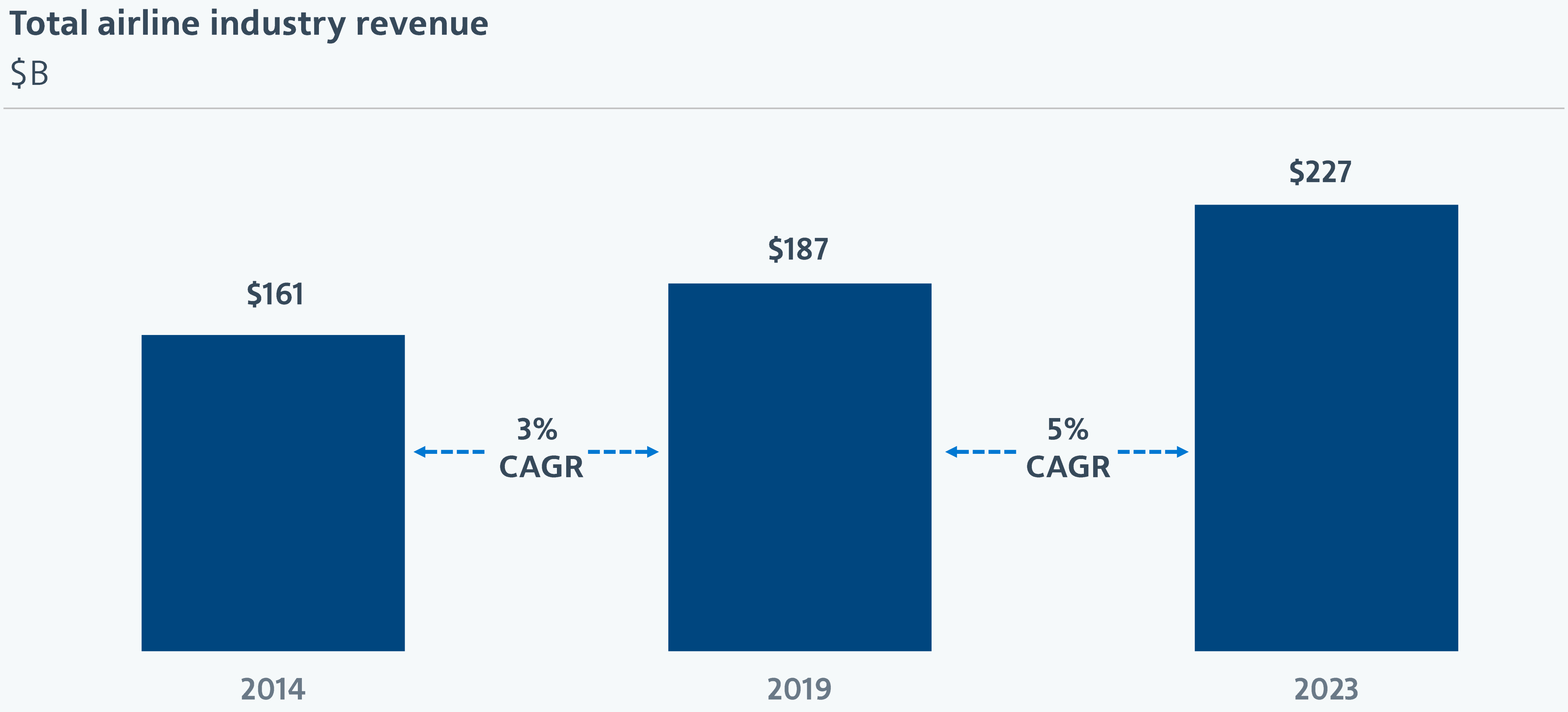
- Delivering on commitments
- Driving value through execution and performance

Opportunities ahead

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

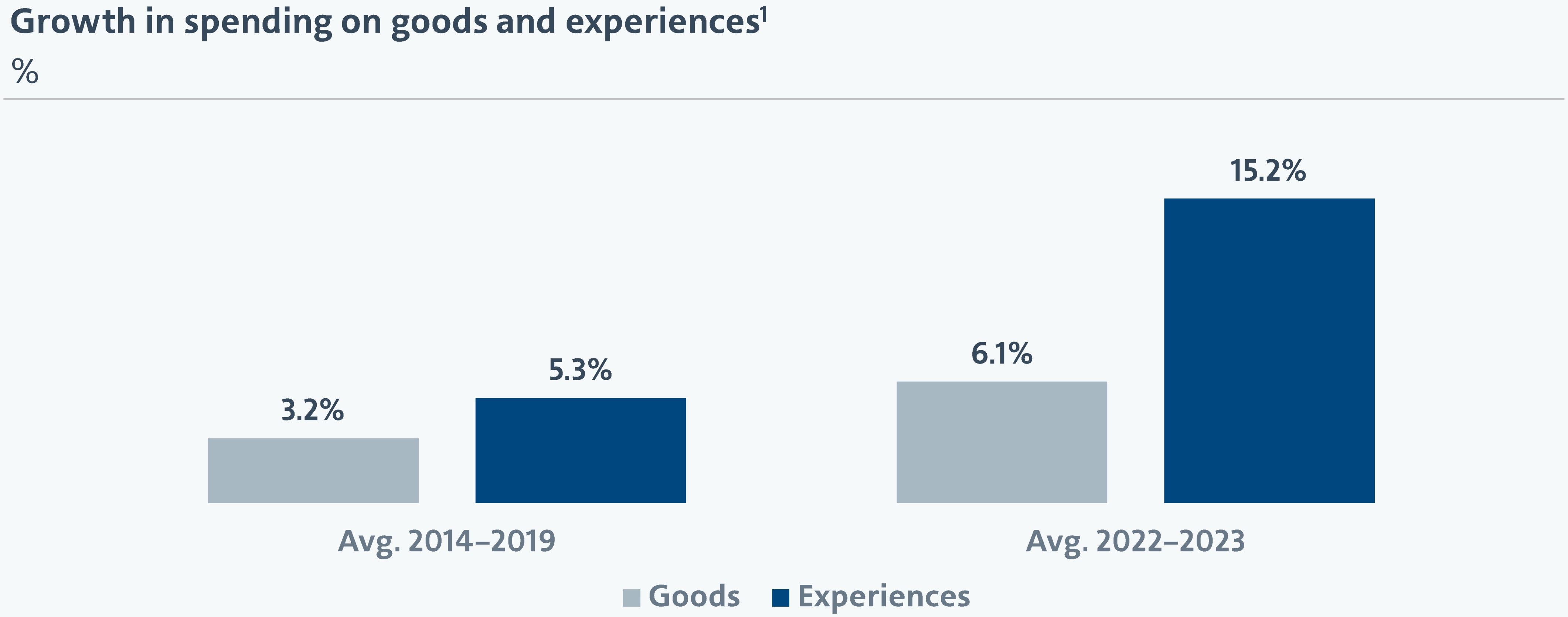

Demand for air travel has returned.

Demand for travel has accelerated



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

Consumer spending continues to shift to experiences



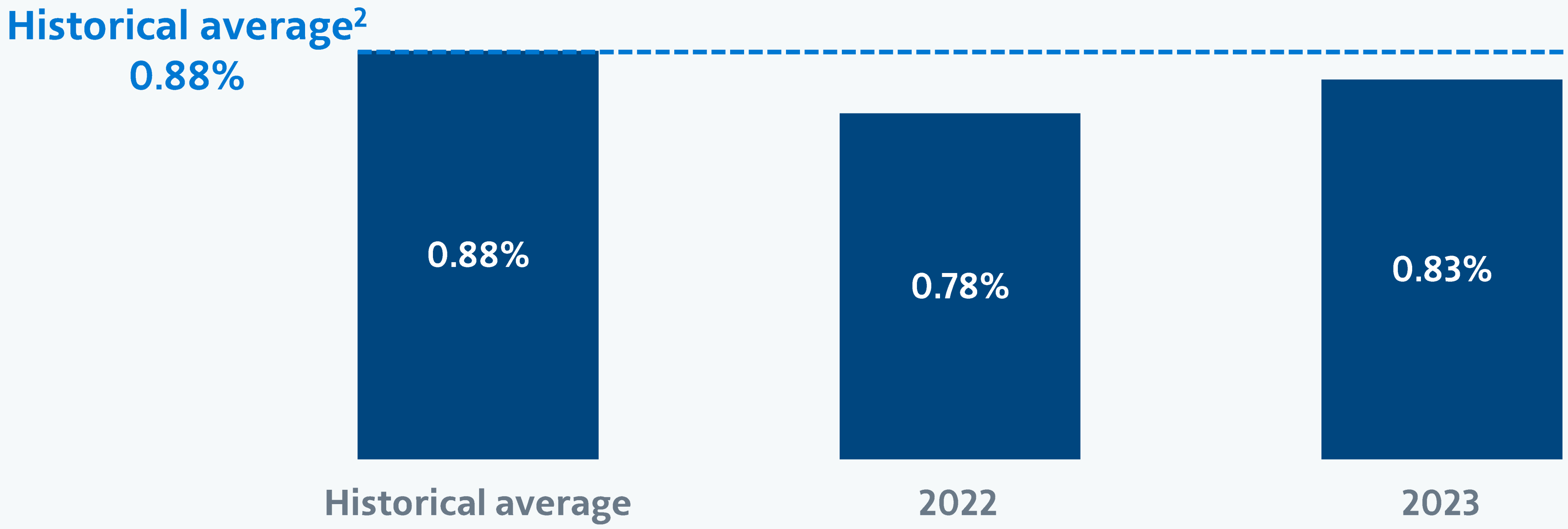
1. Nominal spending YoY growth.
Source: Bureau of Economic Analysis, Mastercard Economics Institute.

Revenue opportunity remains

Airline industry revenue

Percentage of GDP[1]

Every basis point of recovery is worth ~$2.5 billion in industry revenue.



1. U.S. carriers industry revenue.
2. 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

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

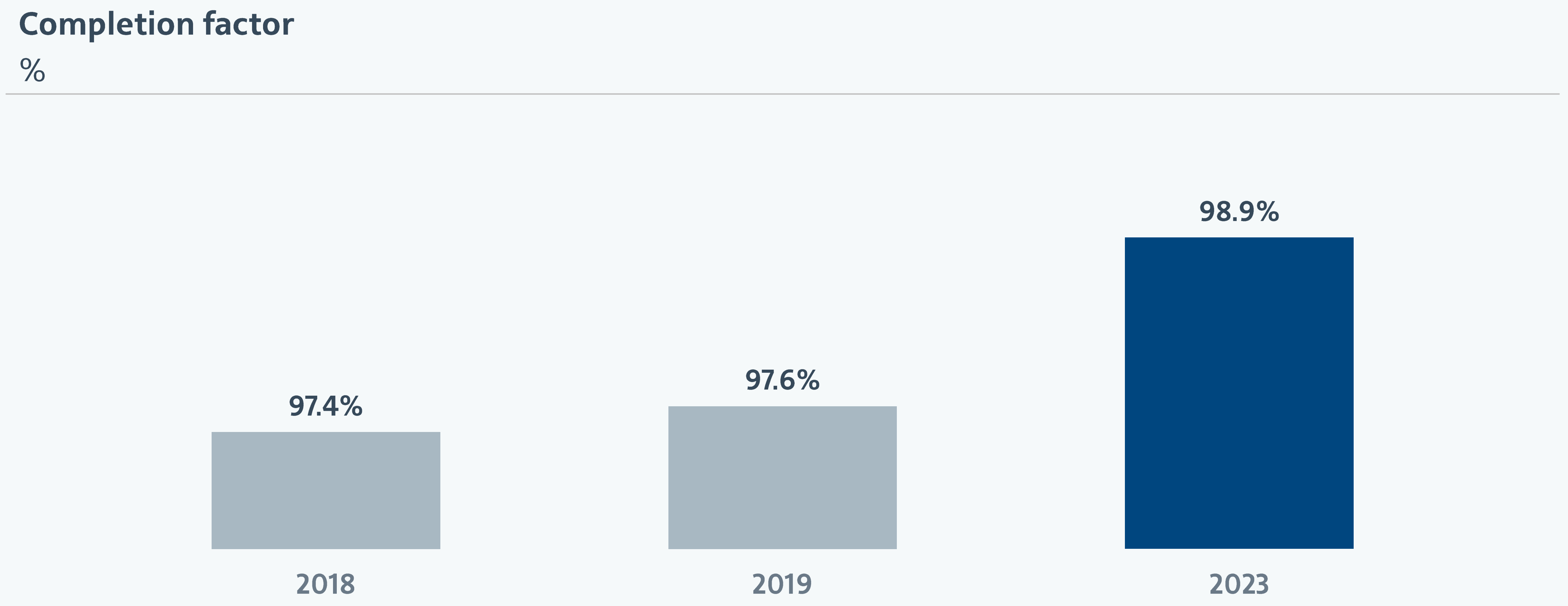
Build American Airlines to Thrive Forever

Reliability

Profitability

Accountability

Delivered a reliable operation

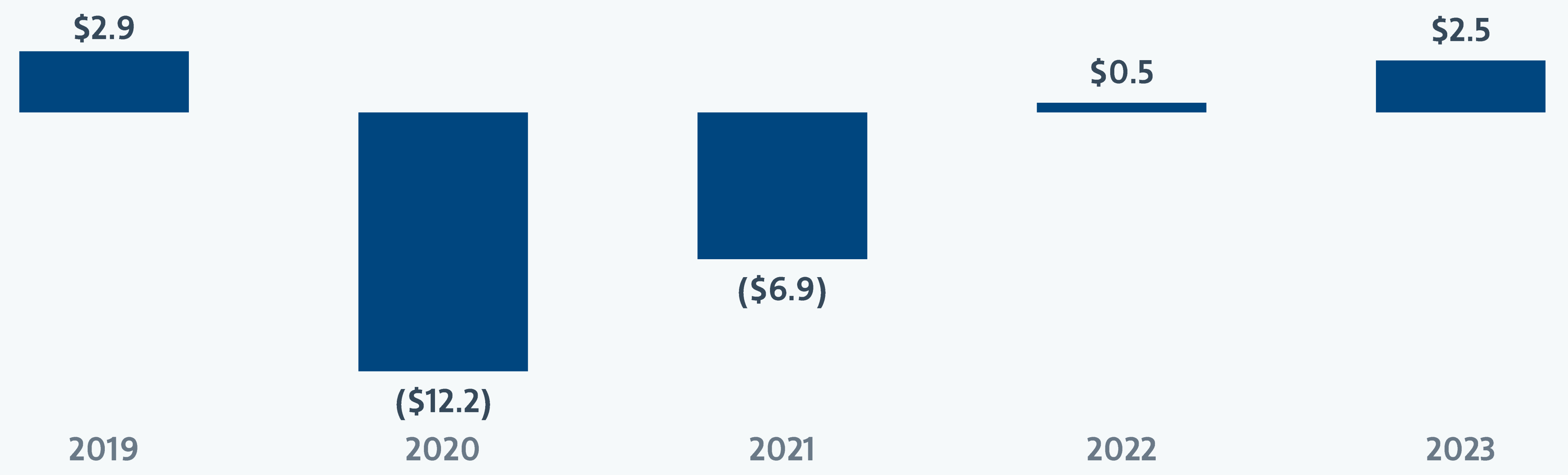


Source: Internal data.

Returned American to profitability

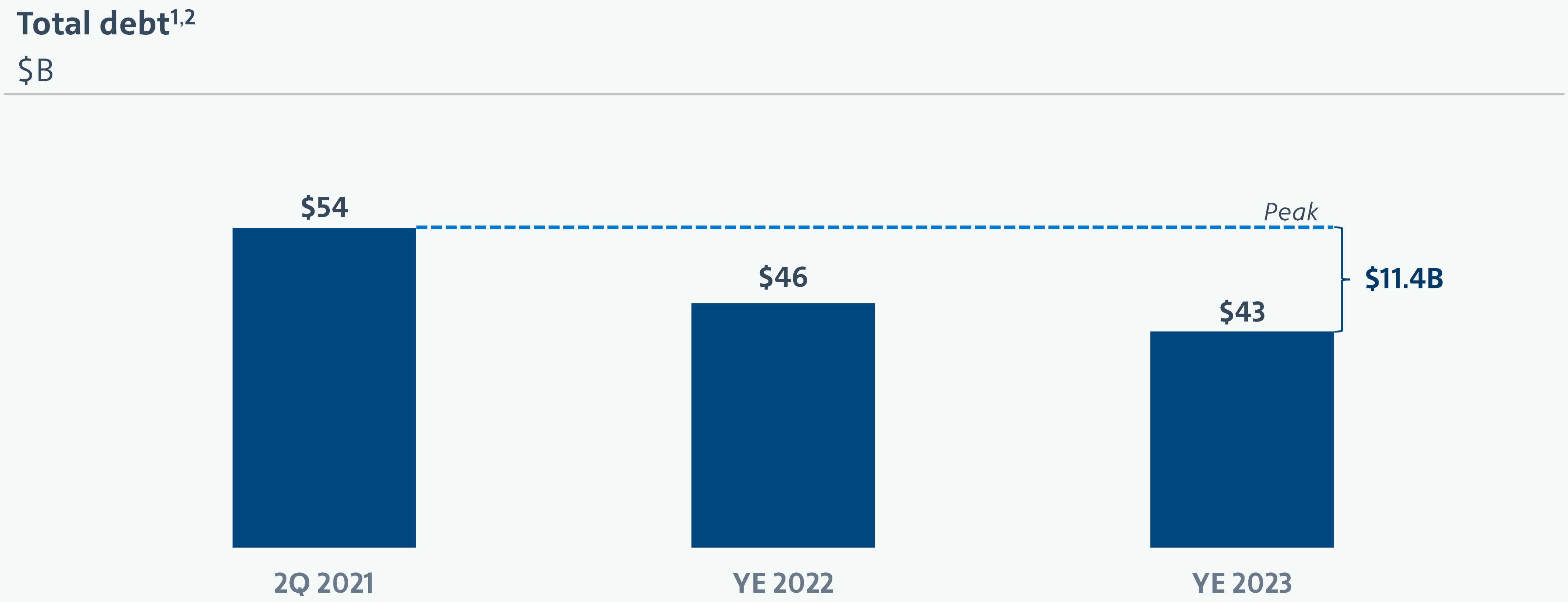
Adj. pre-tax income (loss)[1]

$B



1. 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.

Awards and accolades

- **Achieved rating upgrades** from all three major credit rating agencies
- Won **Best U.S. Airline Loyalty Program** at the 2023 TPG Awards
- **Best Elite Program** for the 11th consecutive year at the 2023 Freddie Awards
- Named to the **Dow Jones Sustainability North America Index** for the third consecutive year and to the **World Index** for the first time

Opportunities ahead drive value.

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

Key target metrics

	2024E	2025E	2026E+
Adj. EBITDAR margin[1]	~ 14%	~ 14%–16%	~ 15%–18%
Free cash flow[2]	~ $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.
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.

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

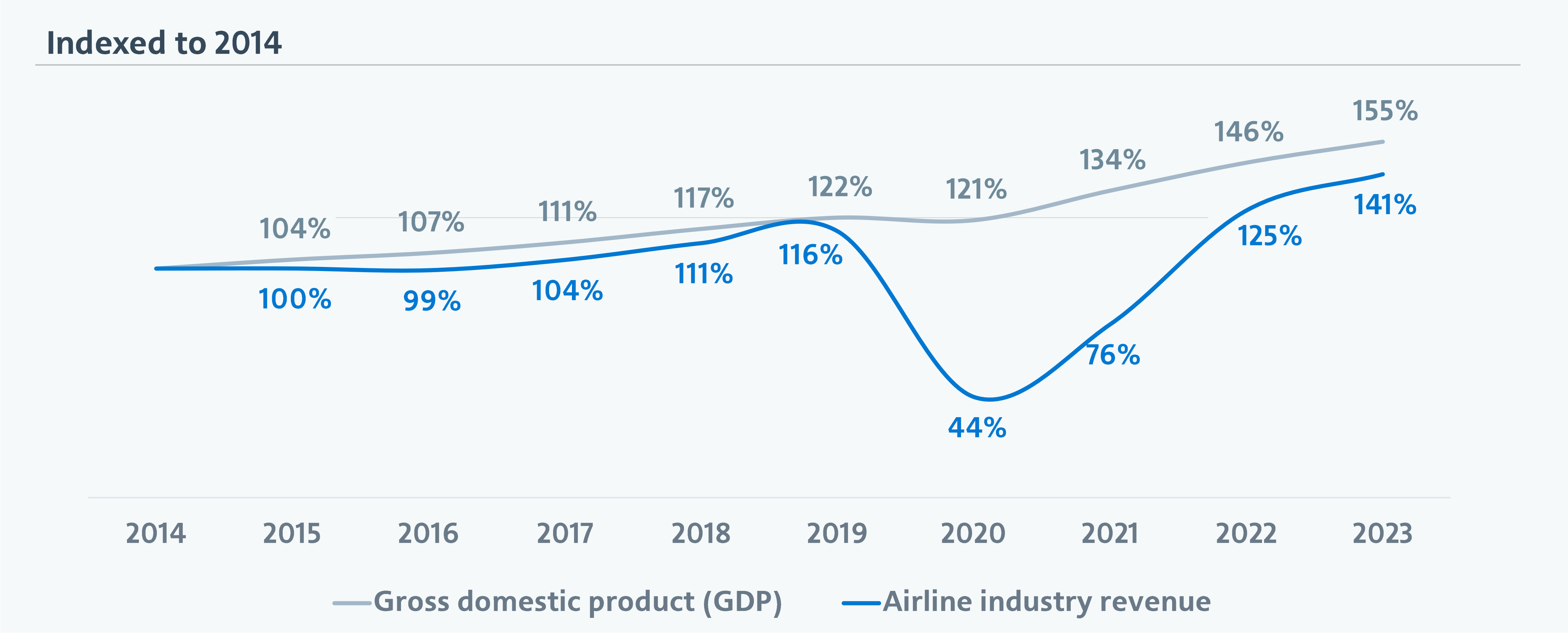
Margin expansion

Long-term free cash flow generation

Commercial execution

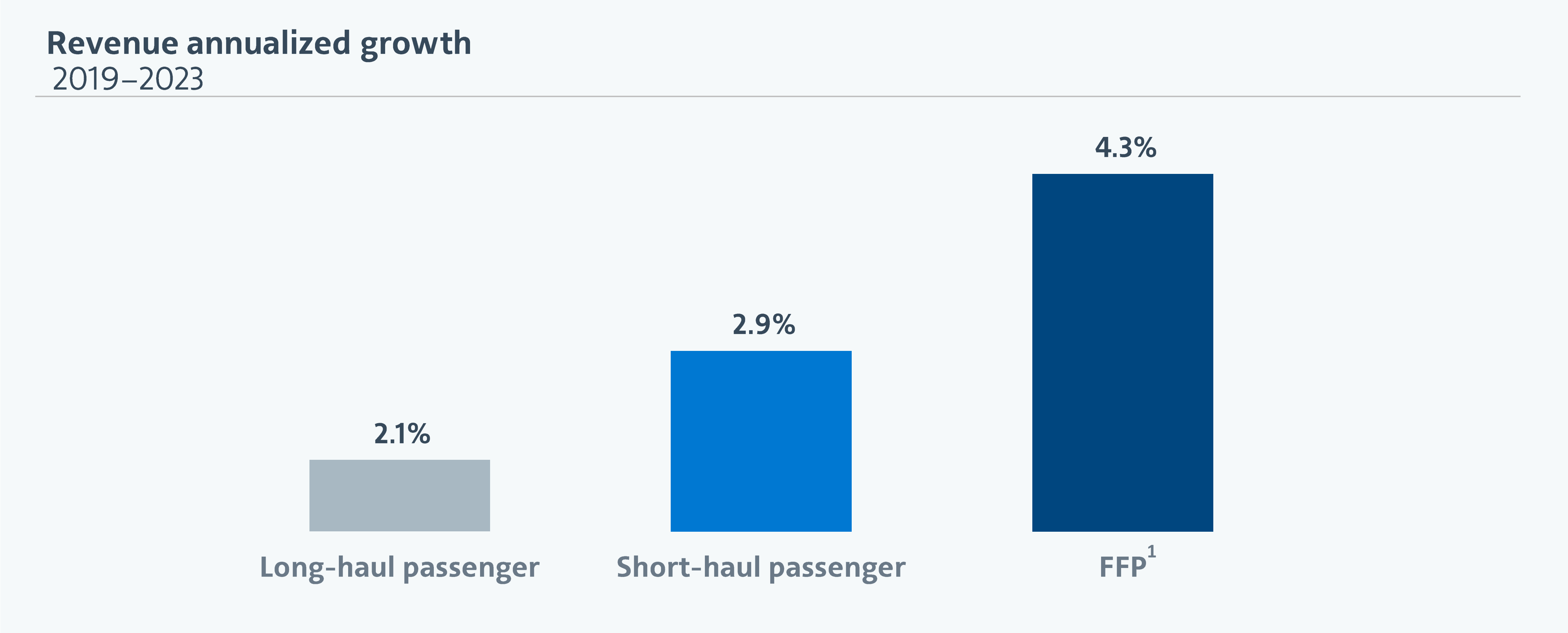
VASU RAJA
CHIEF COMMERCIAL OFFICER

Airline revenues trend with GDP



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

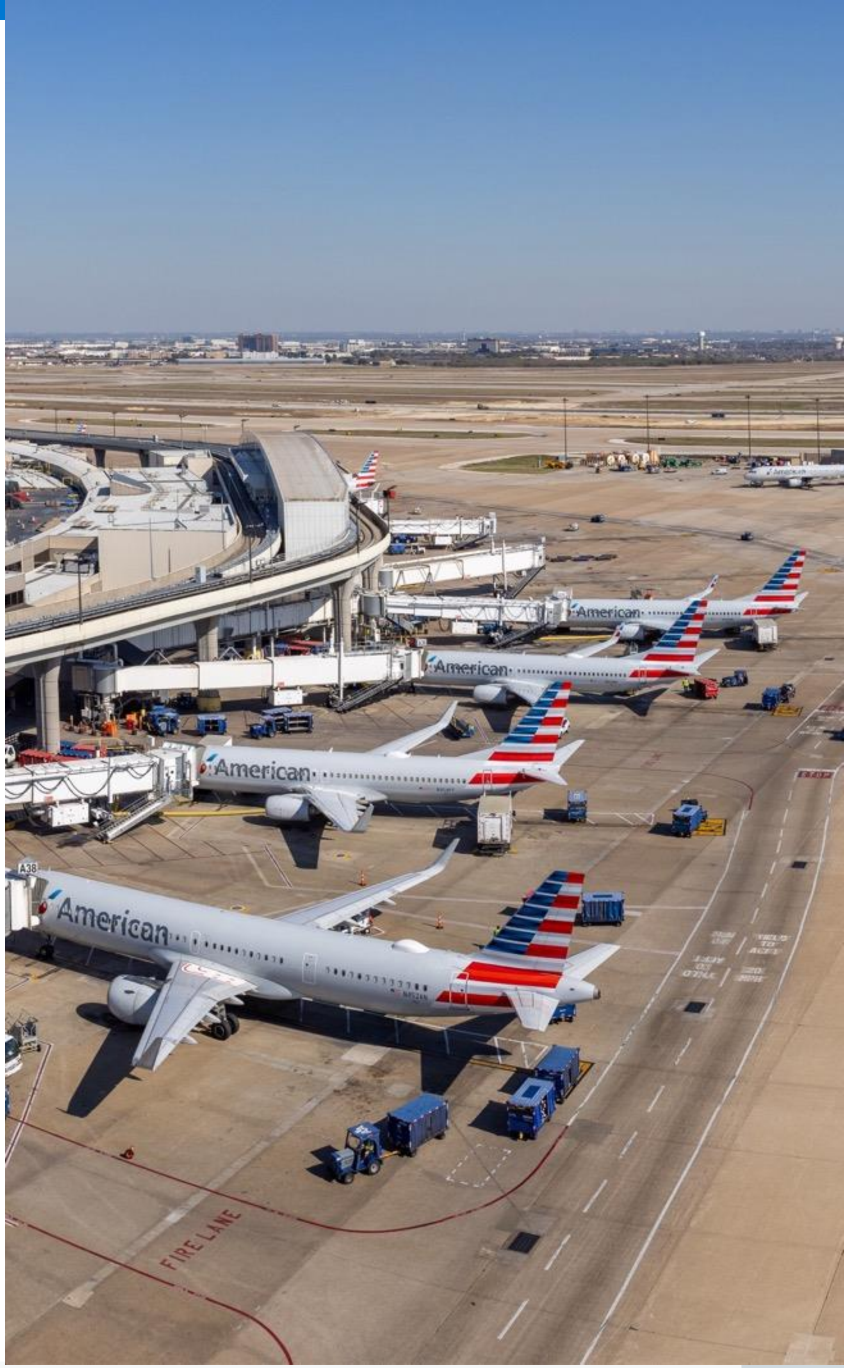
Some sources of revenue have exhibited faster and more consistent growth



1. 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®** — 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

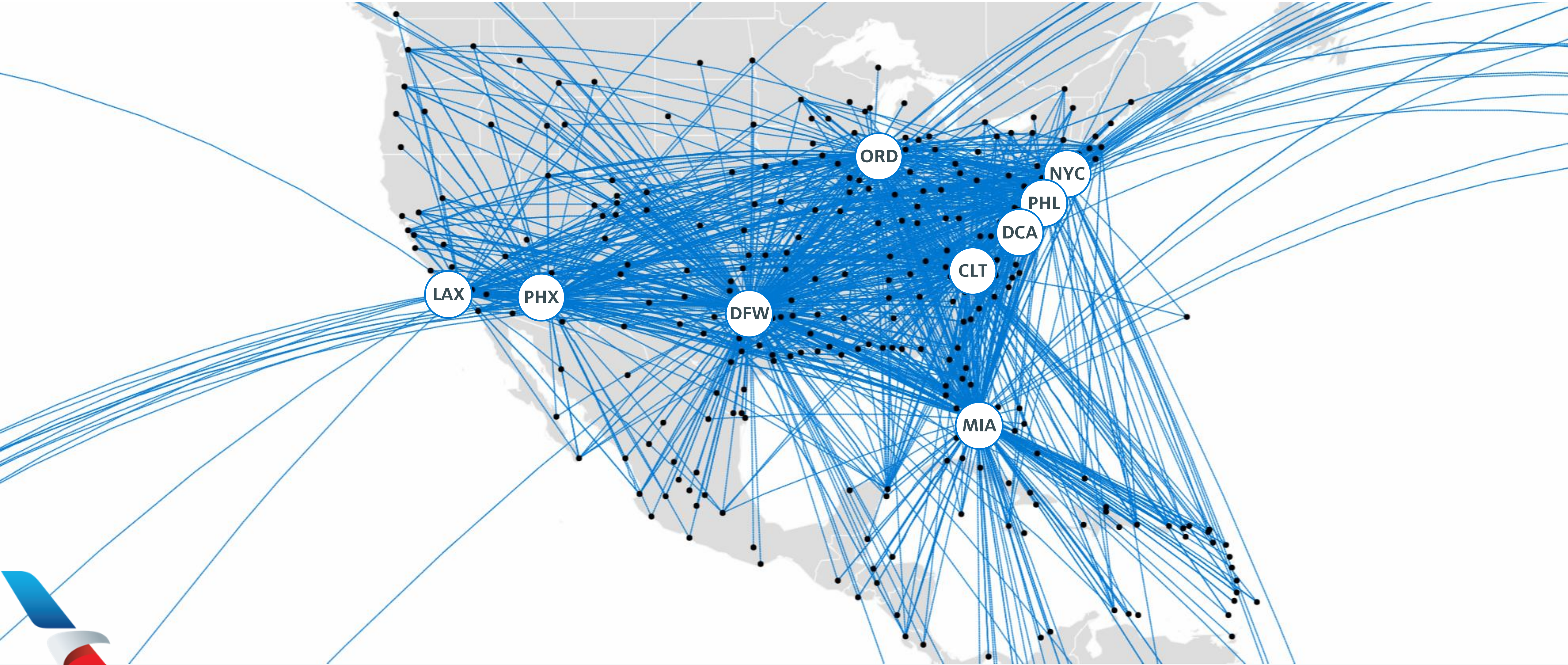
Grow value for customers and investors

Building the best network

Building the best travel rewards program

Conclusion

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

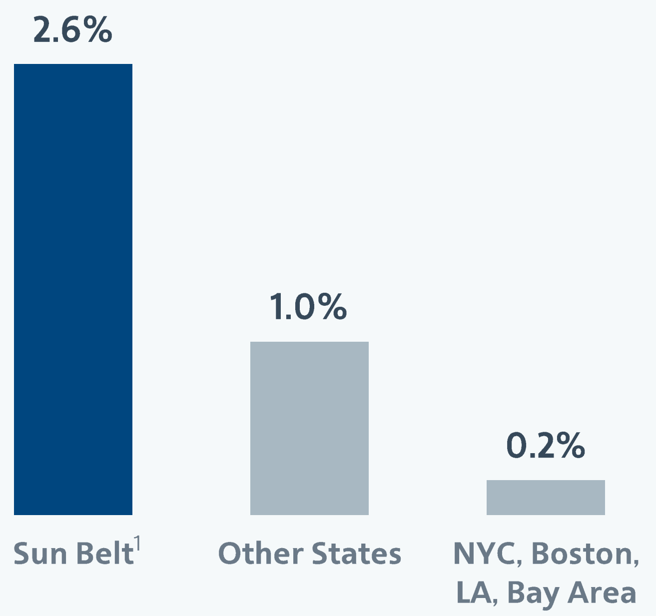


The customer landscape is changing

Population is shifting to the Sun Belt …

Population change

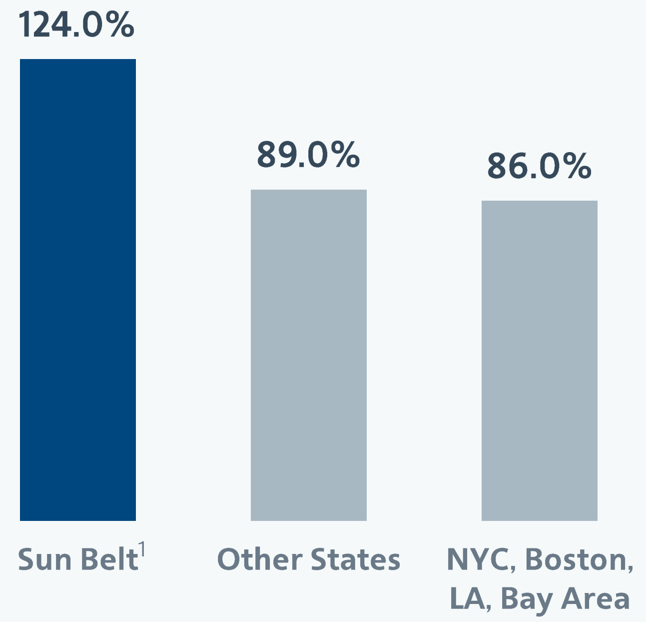
2022 vs 2019 %



… and economic growth is trending similarly

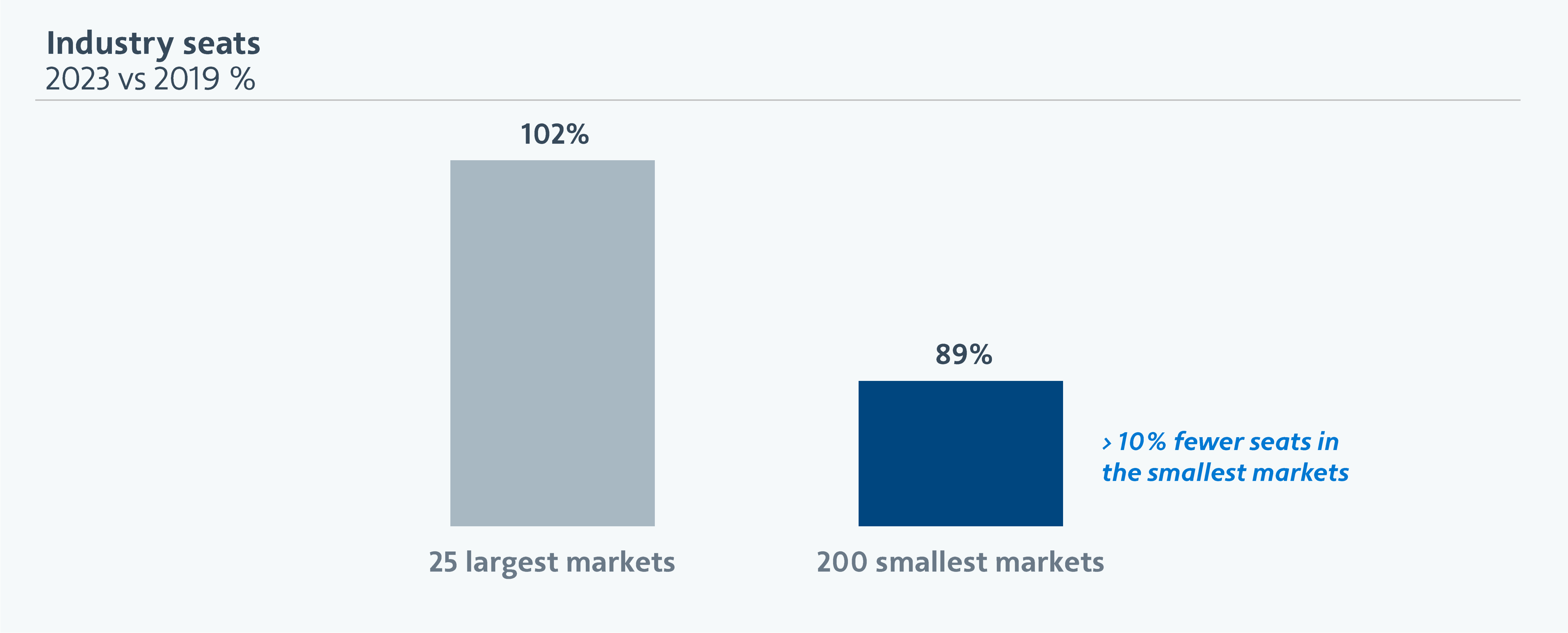
Economic growth

2022 vs 2019 % of national average



1. 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

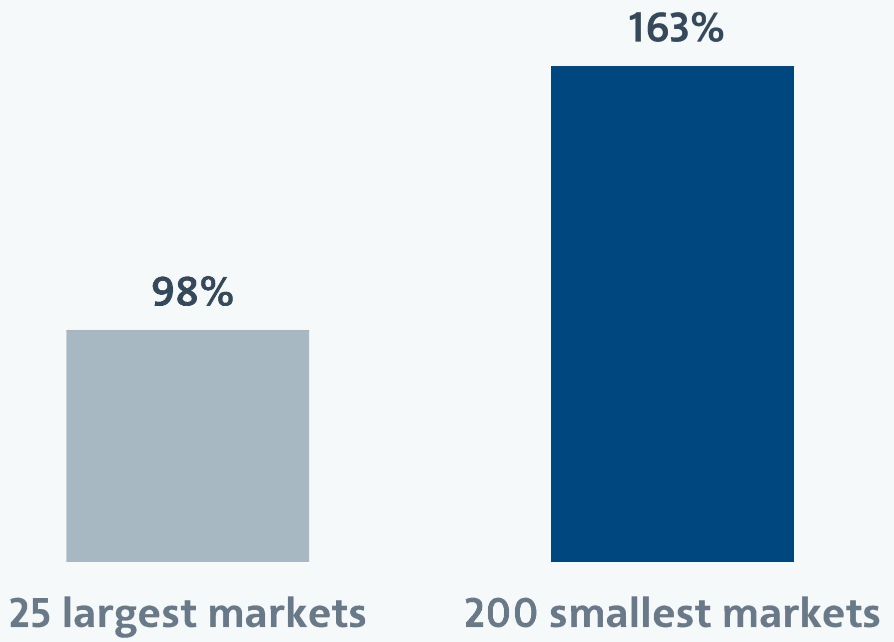


Note: Largest/smallest markets based on 2019 seats, industry includes 11 largest U.S. carriers.
Source: Cirium.

Changing trends create opportunity

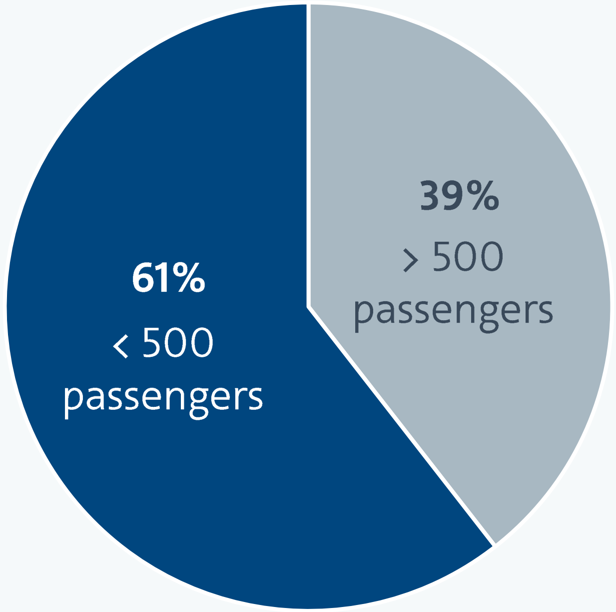
Customers in small markets place greater value on connectivity …

American yield % of average



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

Airports by average daily demand



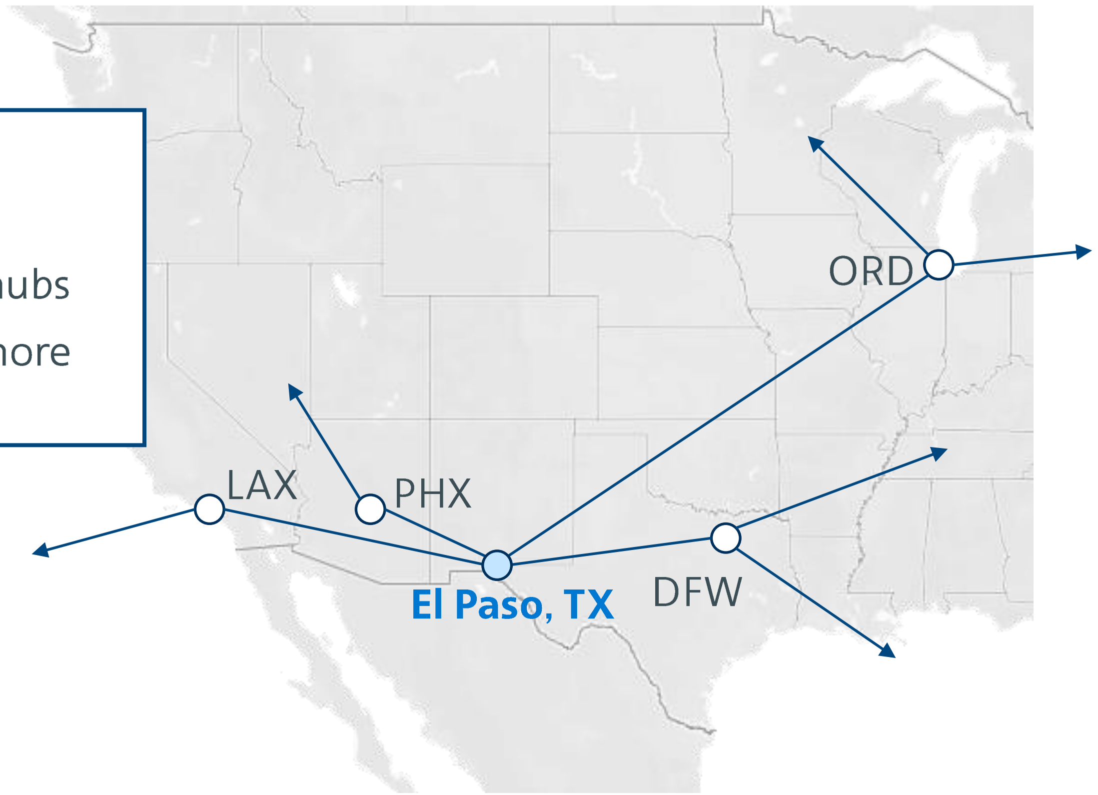
Source: Yield: internal analysis, FY 23 % of Continental U.S. average among spokes served by American (25/25 largest, 103/200 smallest); Average daily demand: GDD, Continental U.S. airports with FY 23 >10 average passengers daily each way (PDEW).

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)

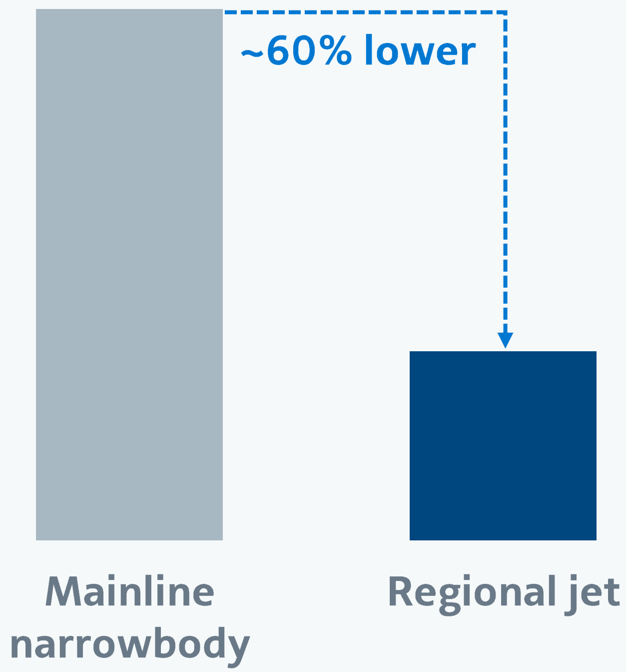
- 14 peak-day departures
- Nonstop flights to four hubs
- Global connectivity to more than 175 cities



Our fleet structure enhances this advantage

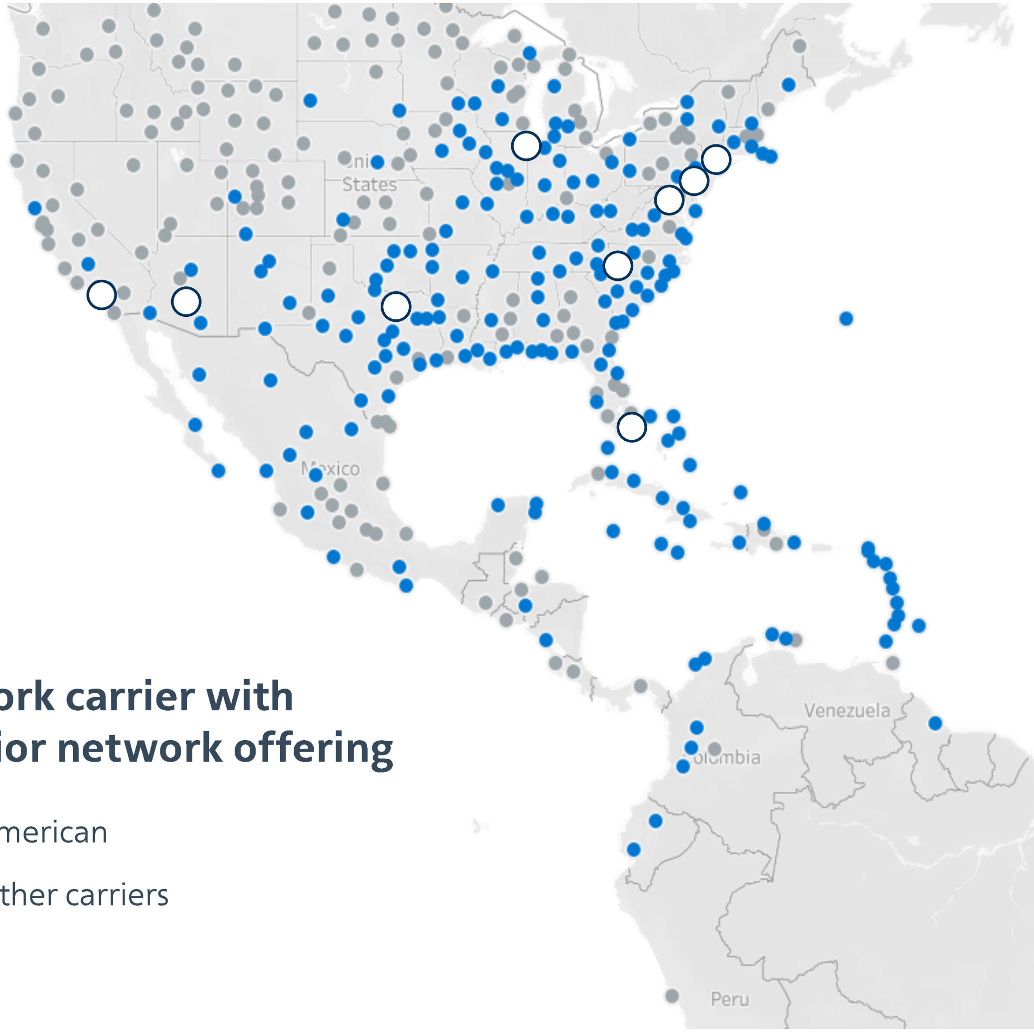
Regional jets create access to more markets at low cost …

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



Network carrier with superior network offering

- American
- Other carriers

Superior network offering in 200 of 300 spokes

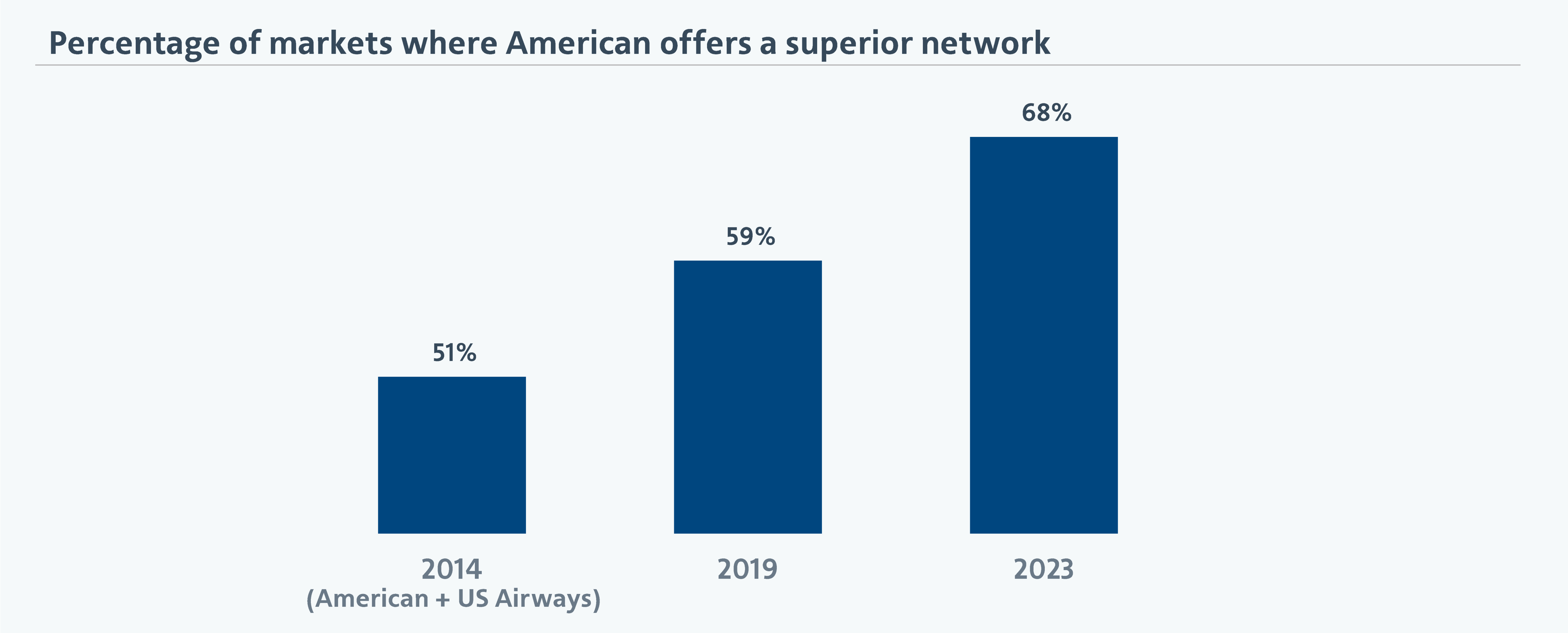
30% more origin-destination markets than other carriers

40% of origin-destination markets are unique to American

> 45% of domestic traffic originates outside largest markets

Source: Cirium, March 2024 schedules; superior network offering based on peak day departures and/or nonstop destinations among network carriers, domestic originating traffic U.S. DOT T-100 YE September 2023.

The strength of this competitive advantage will continue to grow



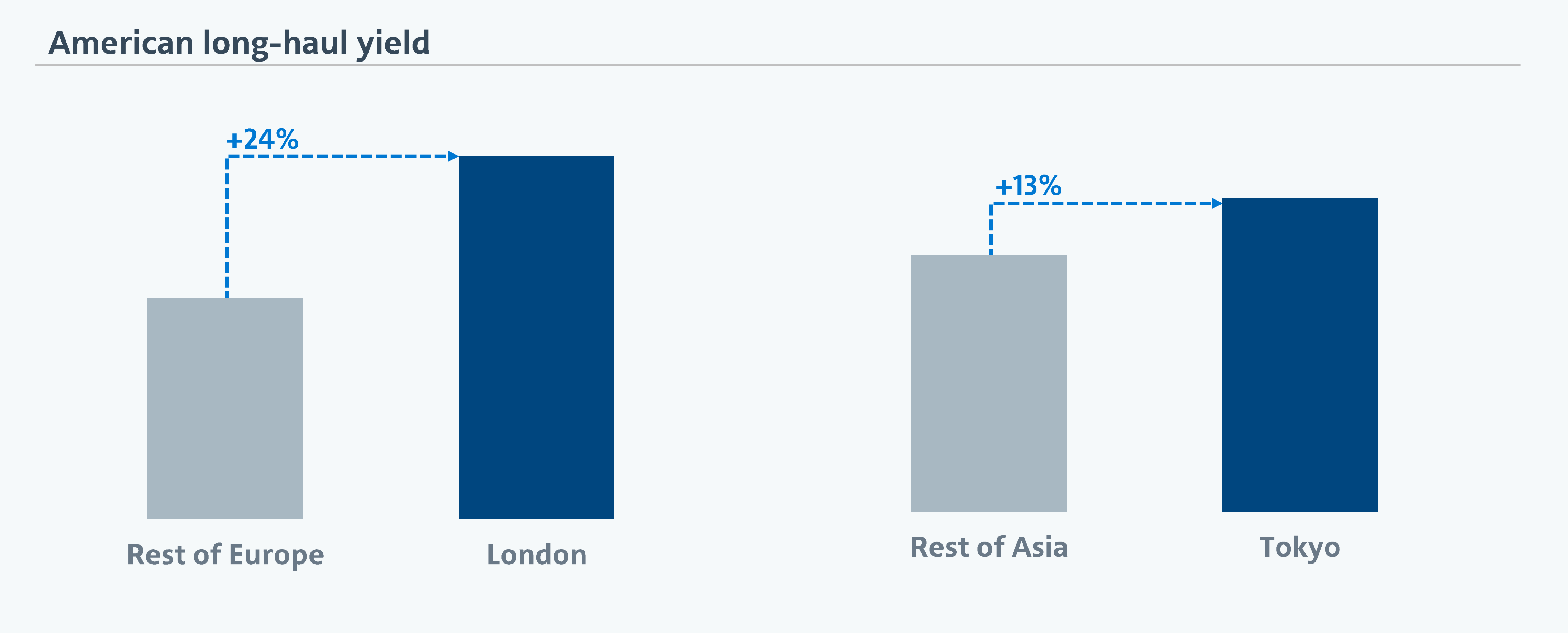
Source: Cirium, March 2024; Continental U.S. + short-haul Latin America spokes where American offers most peak day departures and/or most nonstop routes among network carriers.

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

American network + partners serve ~ 90% of U.S. long-haul demand

Note: Select airline partners depicted.
Source: Long-haul demand coverage based on Cirium selling schedules for July 2024, demand based on YE October 2023 (GDD).

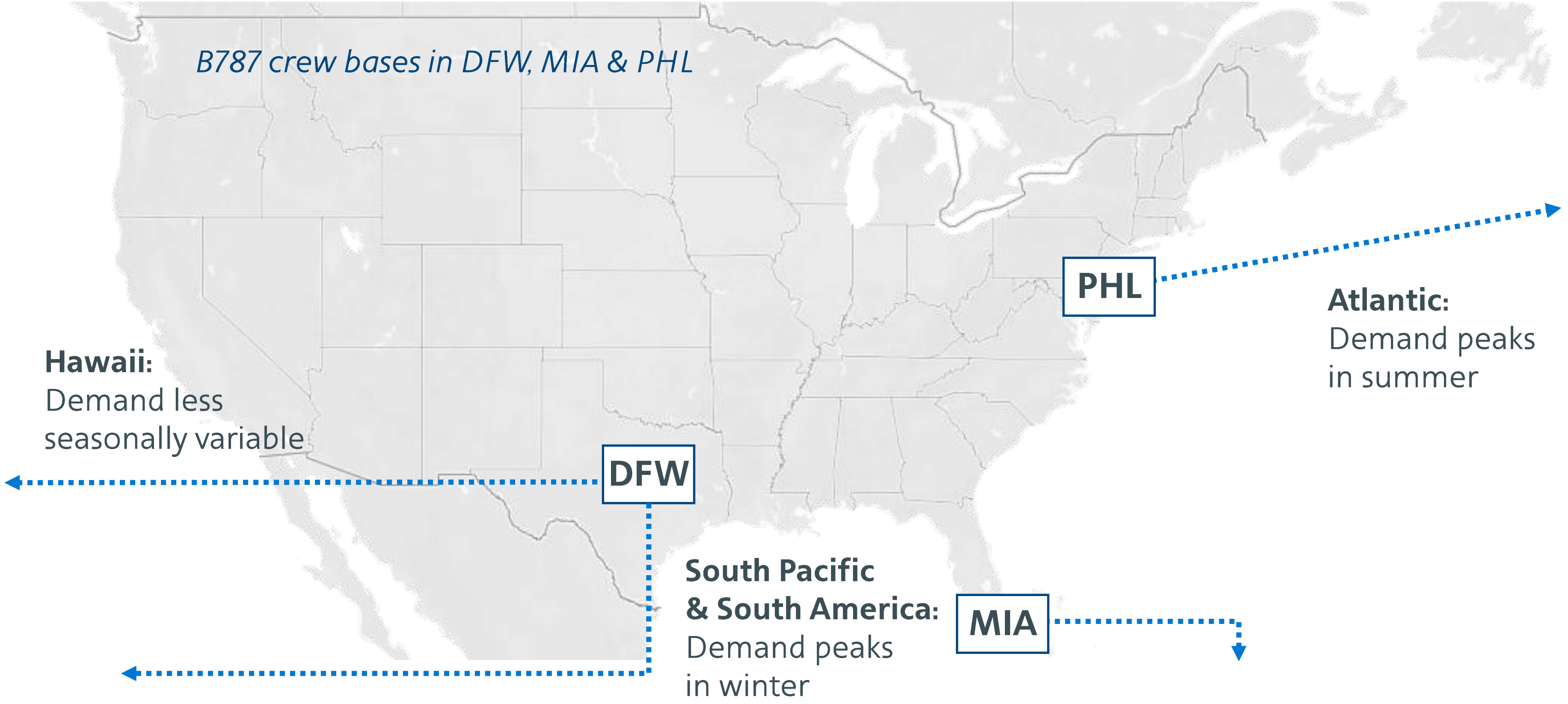
And these partnerships enable us to serve customers in the highest-yielding global markets



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

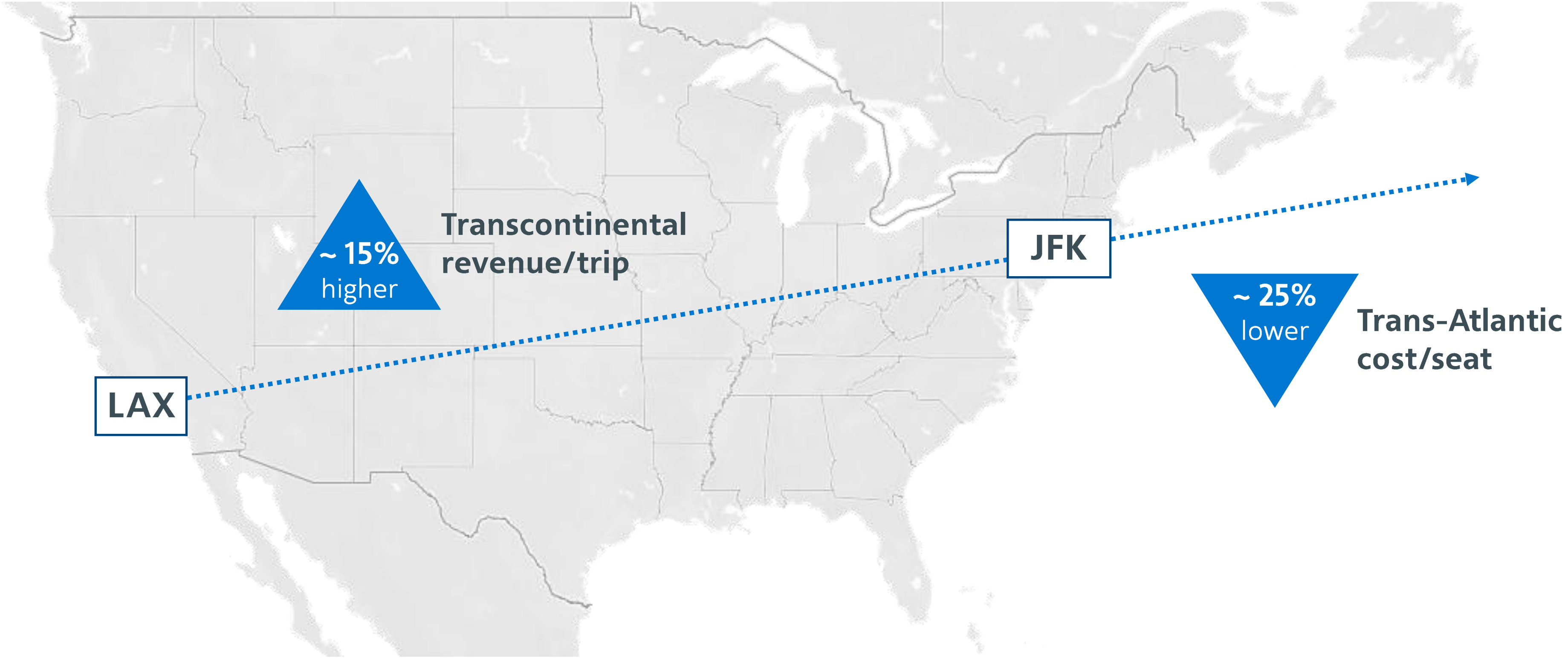
Fleet investment enables growth flexibility while also providing a hedge against demand volatility

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.

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

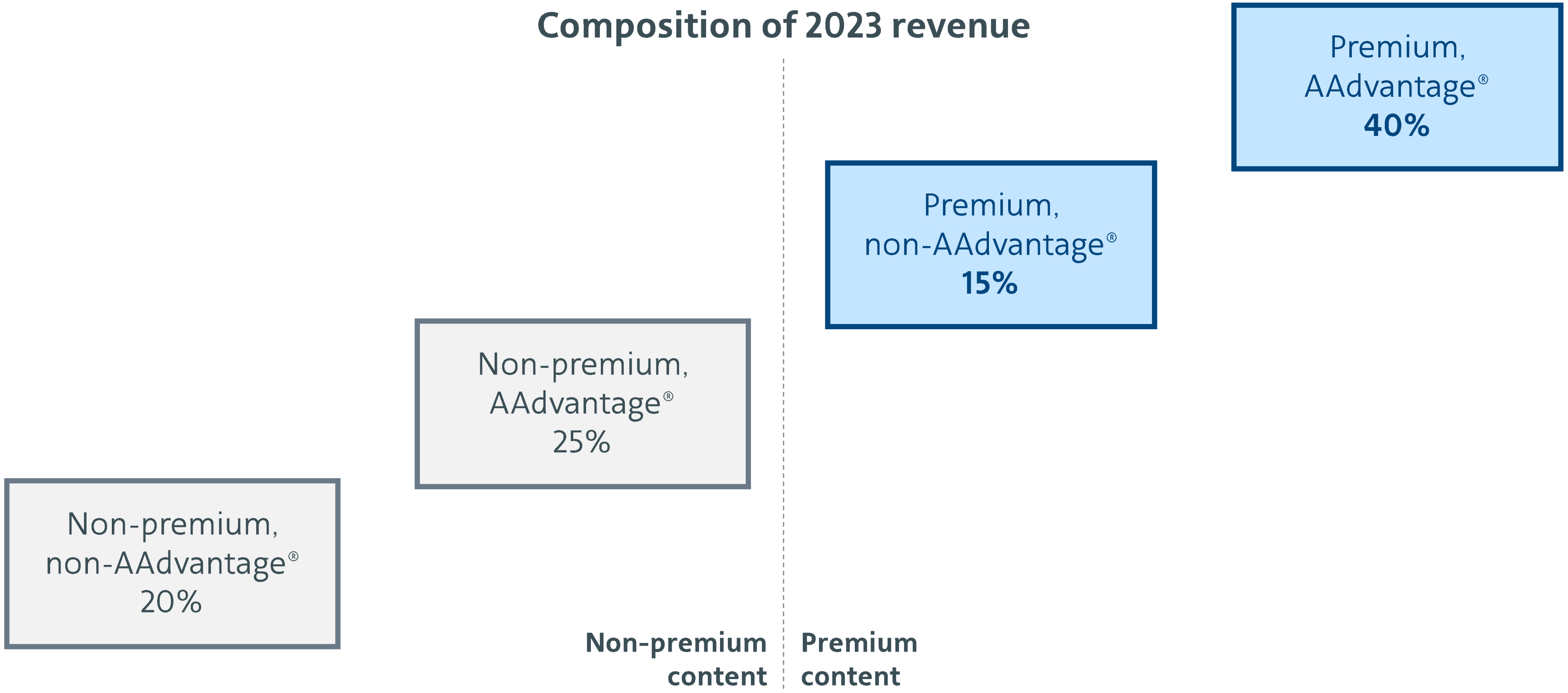
Building the best network

Building the best travel rewards program

Conclusion

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

Composition of 2023 revenue

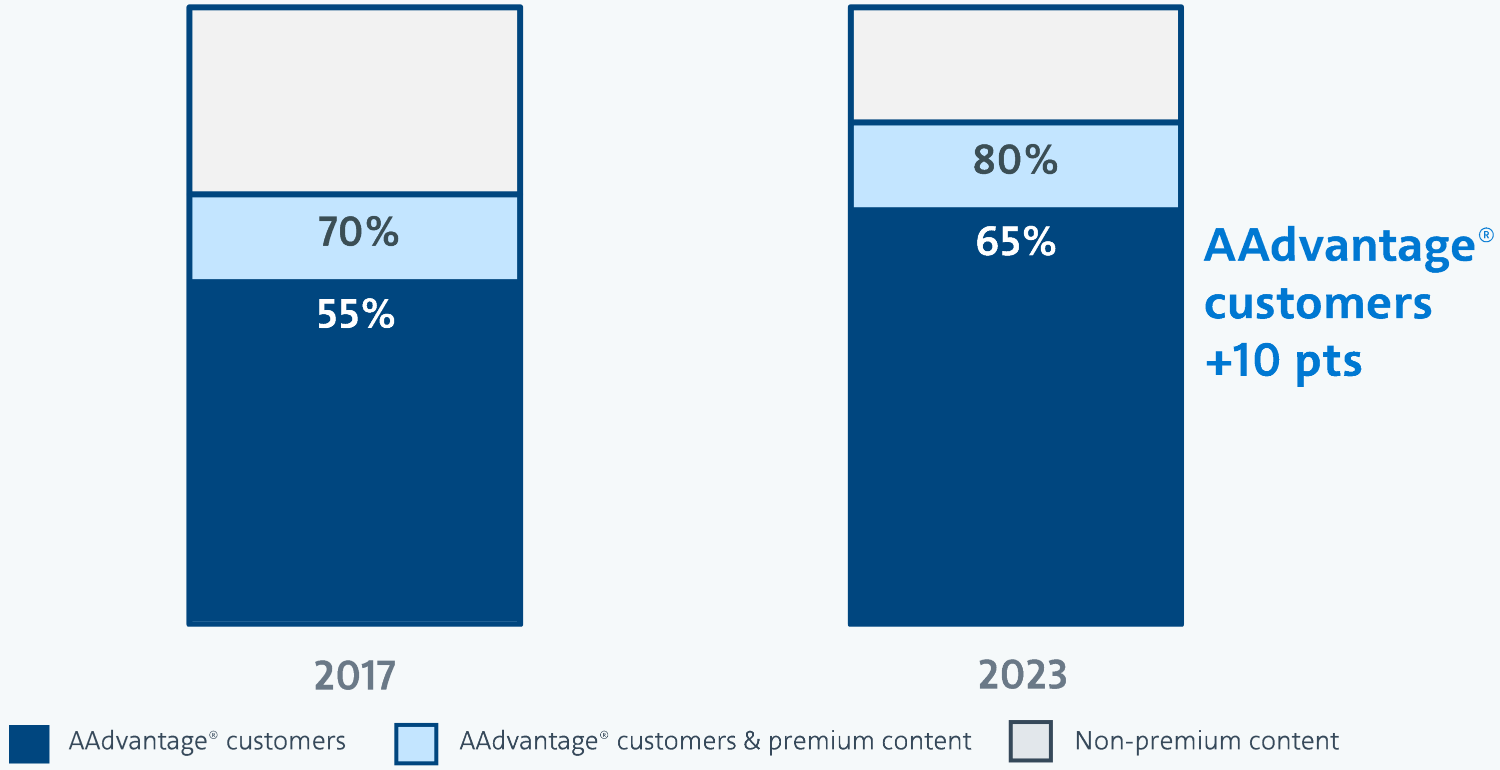


› 80% of revenue from AAdvantage® members and premium content

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

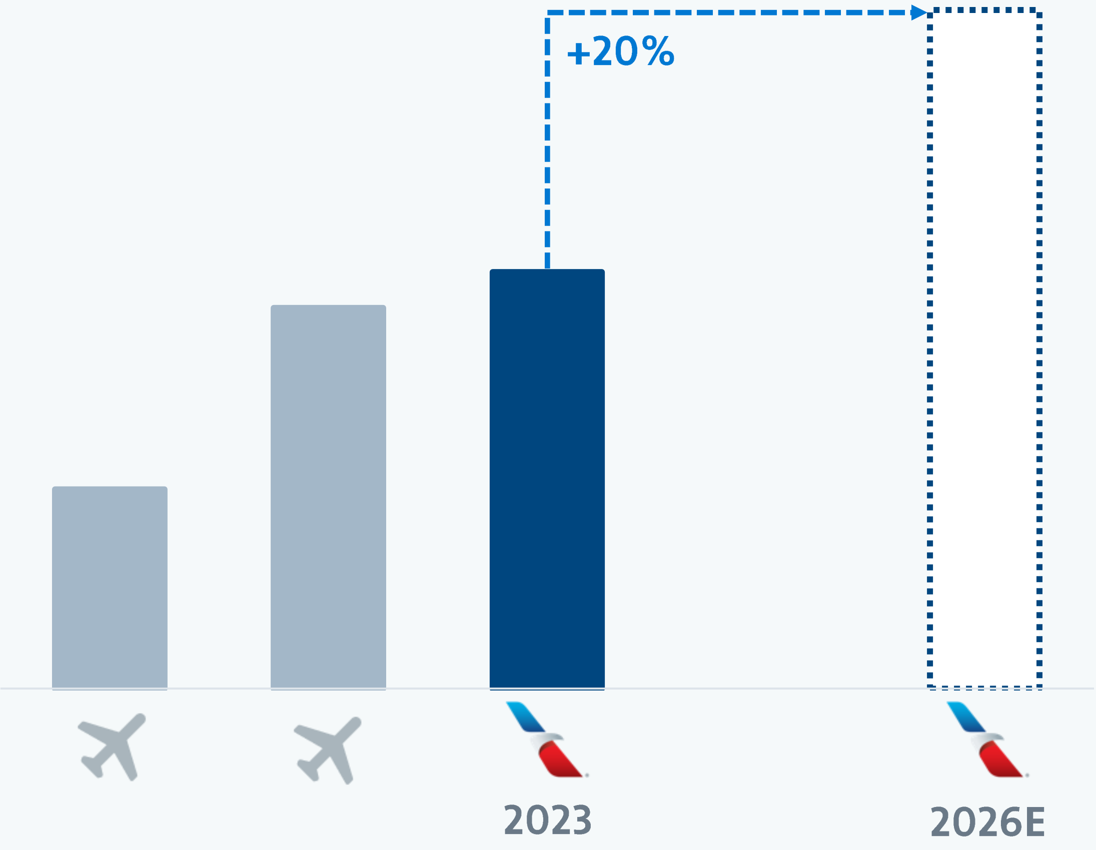
Percentage of revenue from AAdvantage® customers & premium content



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

We offer more premium seats than any other airline

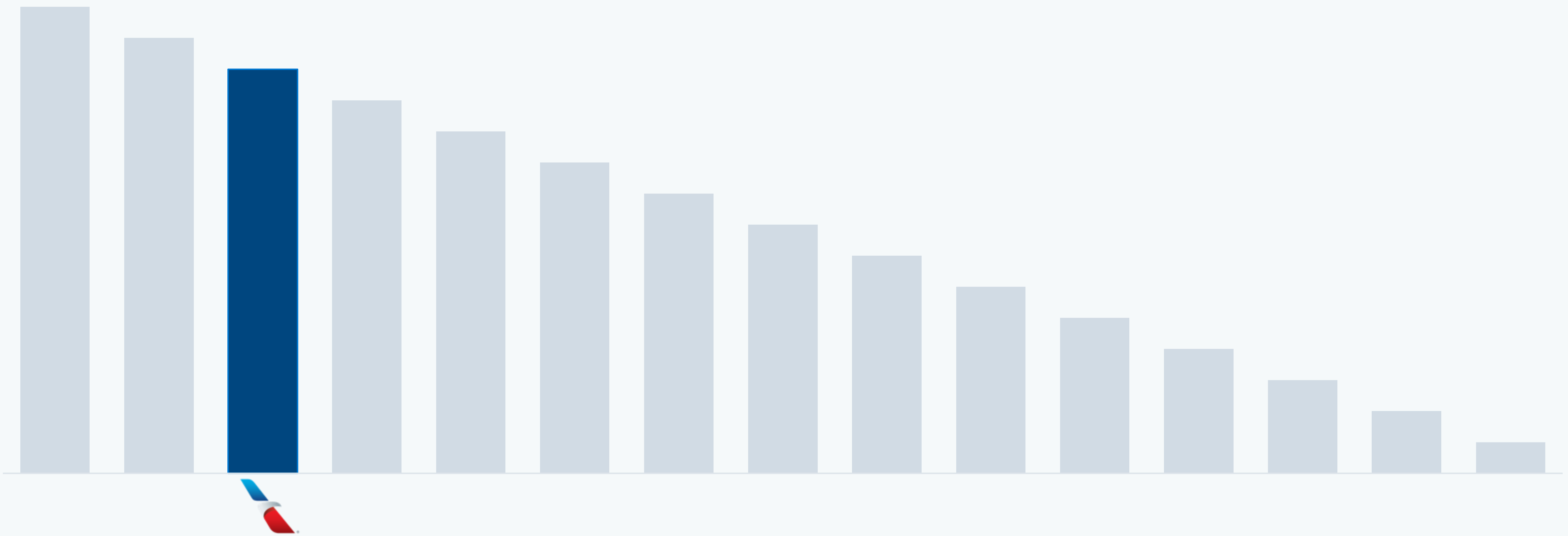
2023 premium seats



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

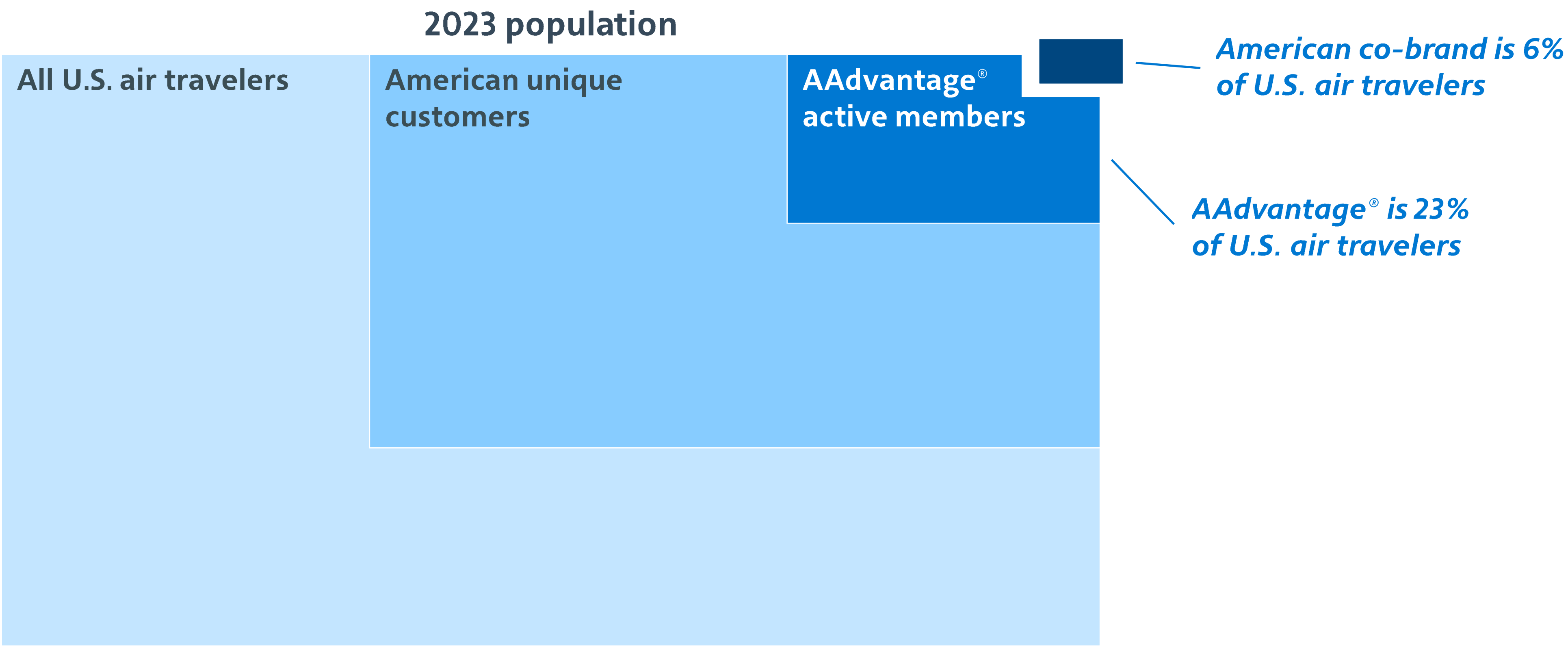
We have among the largest co-branded travel credit cards

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

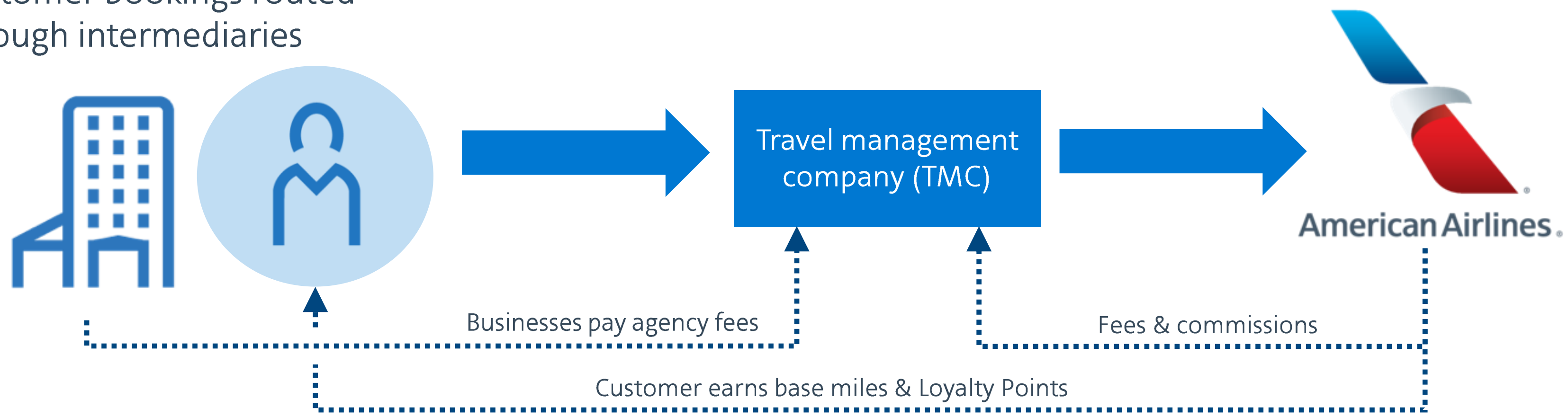
New AAdvantage® program makes earning easy

Miles/$	Applies to
0 miles/$	Non-preferred agencies
2 miles/$	Basic Economy in direct channels[1]
5 miles/$	Modern retailers Main fare
7-11 miles/$	Modern retailers Main fare Status
8-16 miles/$	Modern retailers Main fare Status Co-branded card
>16 miles/$	Promotions & offers

1. 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

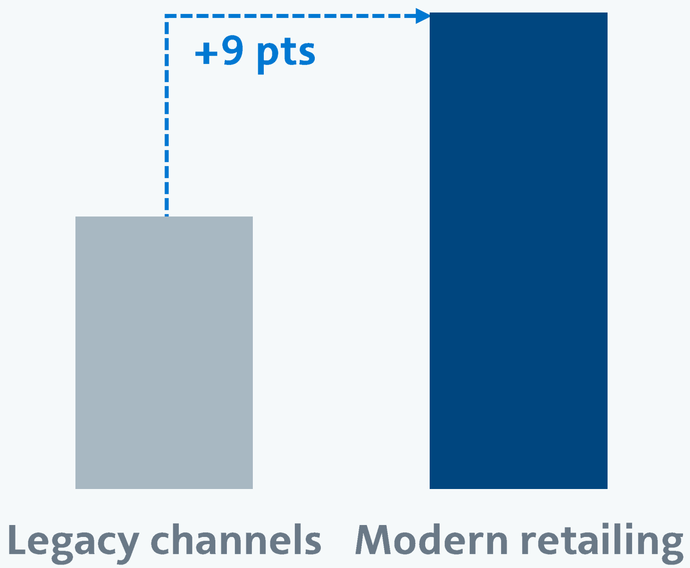
- **80% less expensive for customers**
- **65% less expensive for American**

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

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

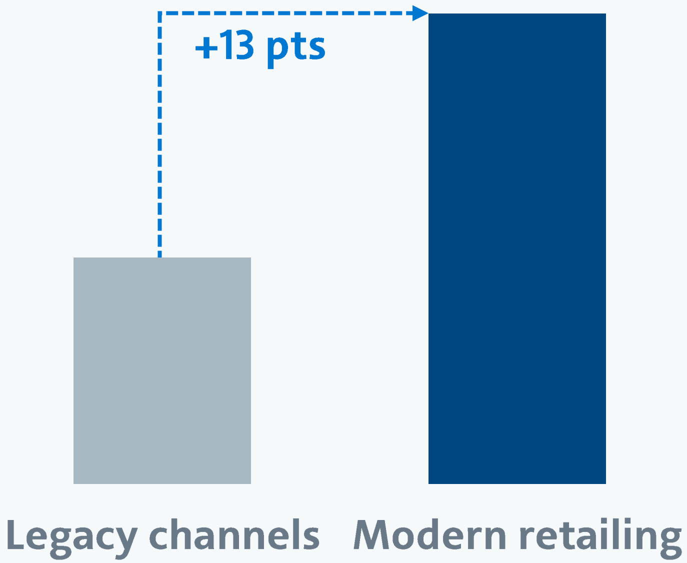
Customers who use our distribution tools are more satisfied …

Customer satisfaction



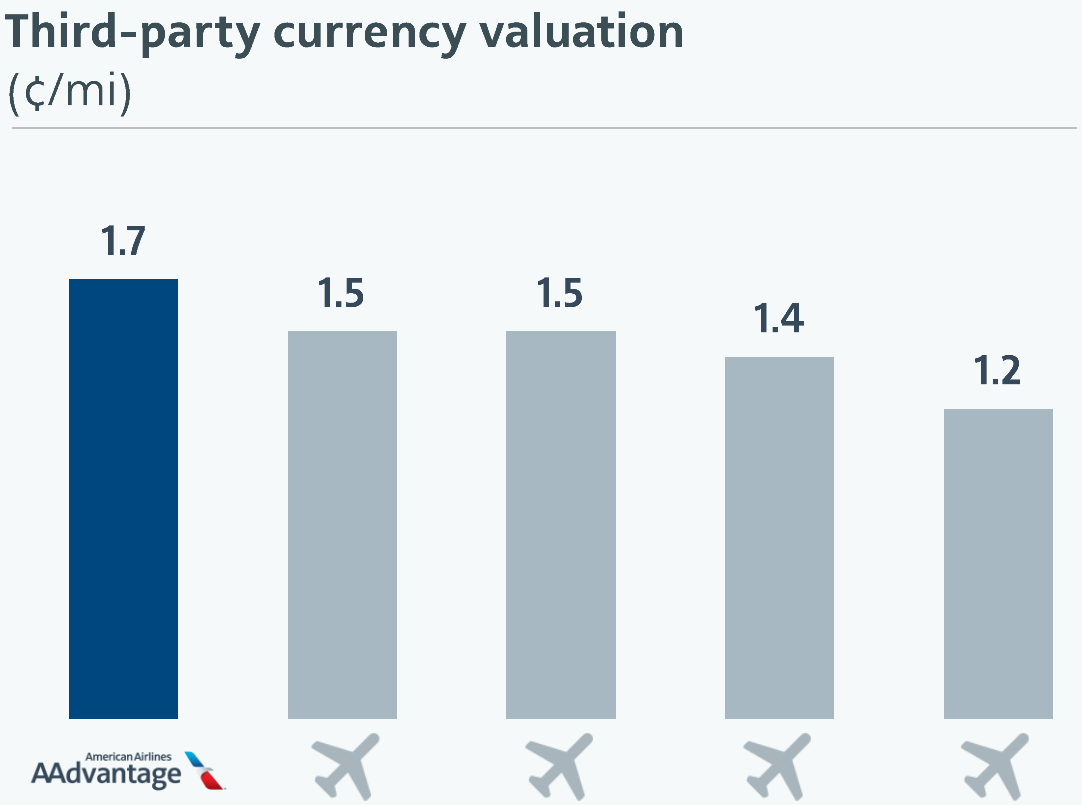
… and this drives them to purchase premium content

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



>20
flight partners

>50
non-flight partners

AAdvantage® offers the most redemption value of any rewards points

Source: NerdWallet.

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

Shopping	• More miles and exclusive content in digital channels • 24-hour booking hold • *Status members:* unique redemption offers
Servicing	• 100% of purchases can be serviced digitally • Expedited call center service
Airport	• Same-day standby • *Status members:* faster access • *Status members:* first checked bag free
Lounges	• Exclusive access to the lounge network with the most space per customer • No visit restrictions
Inflight	• Inflight dining pre-selection • *Status members:* complimentary food/drink
Disruptions	• Priority reaccommodation, including on non-partners • Longer validity of trip credits

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

1H 2024

- Earn more miles more easily than ever before
- Expanded redemption benefits
- Exclusive benefits to status customers

2H 2024

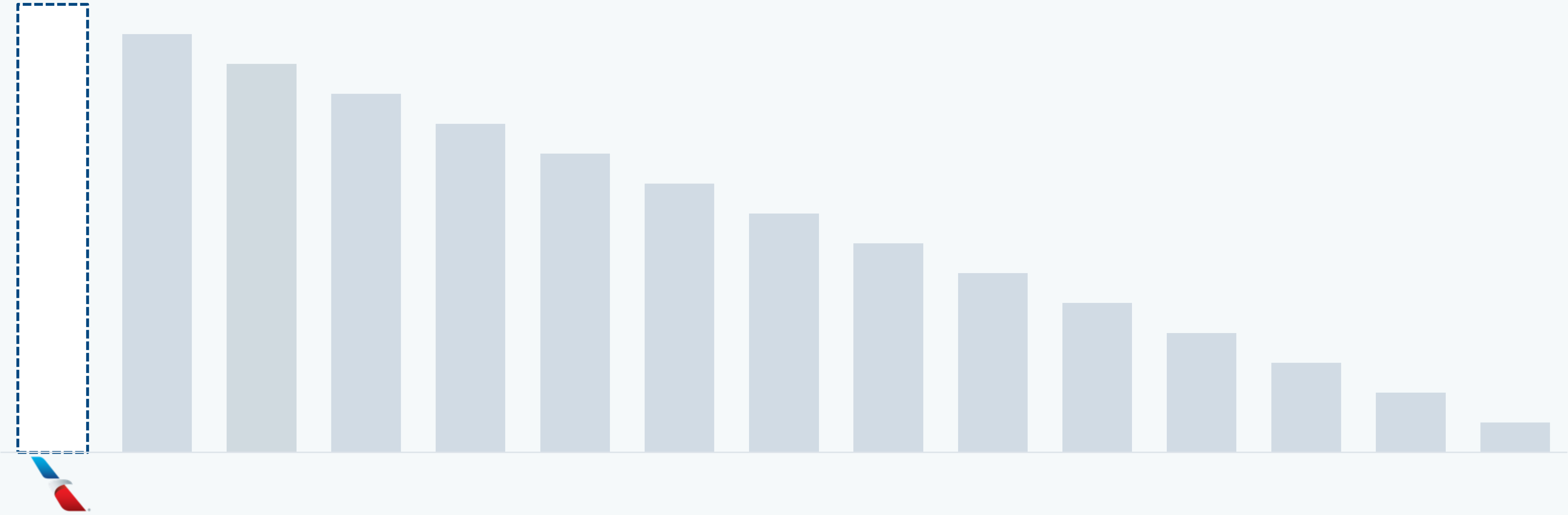
- Expand cash and miles redemption for vacations, events and experiences
- Superior redemption benefits for status customers
- Exclusive access to premium content for status customers

2025+

- **Simplest way to earn miles**
- **Best value for redeeming miles**
- **Unique and unmatched benefits**

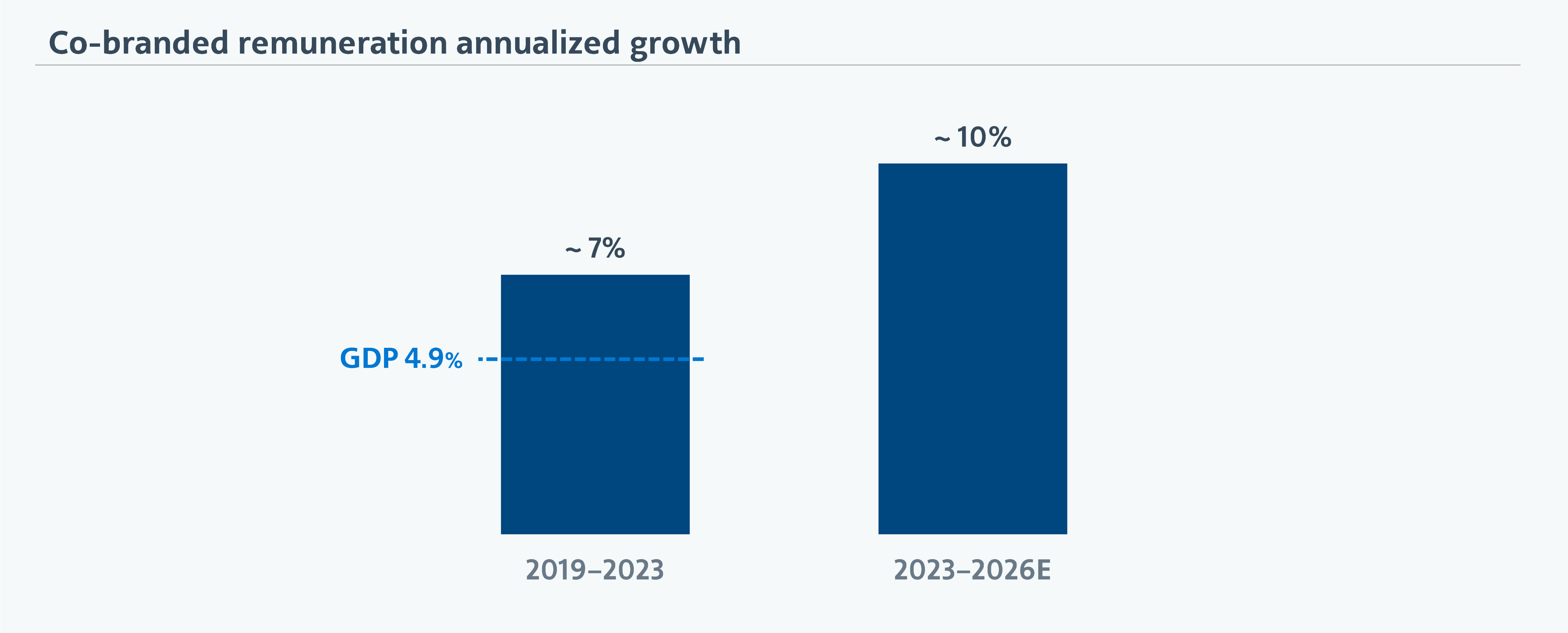
The new AAdvantage®: Creating the largest card program with the best rewards network

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



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

Building the best travel rewards program

- **80% of our revenues**[1] come from customers who demand quality travel experiences rather than the cheapest fare
- **AAdvantage®** 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®** to compound the **value created from our network**
- To deliver this value creation we will **simplify AAdvantage®, 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**® — 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

Operational excellence

DAVID SEYMOUR
CHIEF OPERATING 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

Delivering a reliable operation — efficiently.

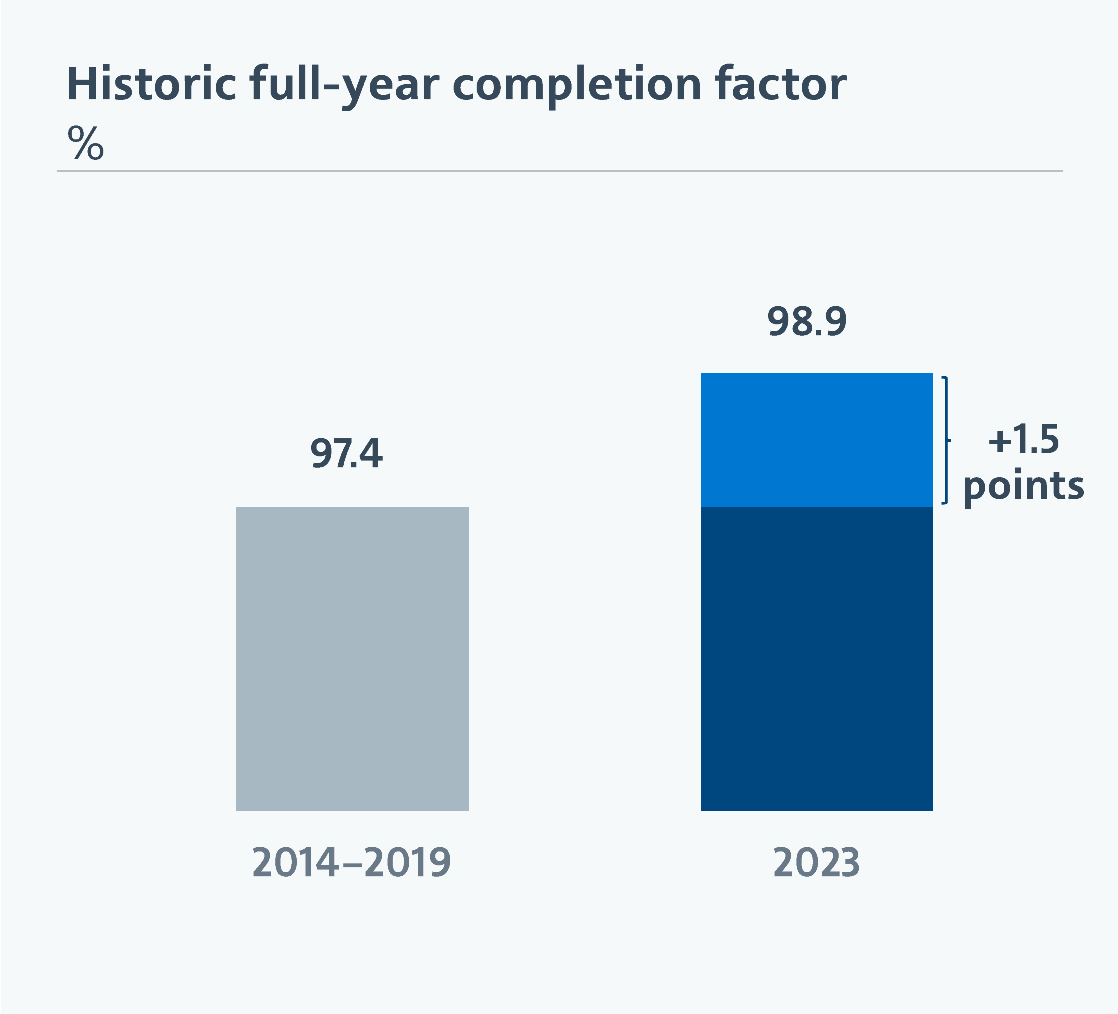
Investing in operational resilience

Plan

Execute

Recover

A strong operational foundation



30,000
Additional flights

3 million
Passengers

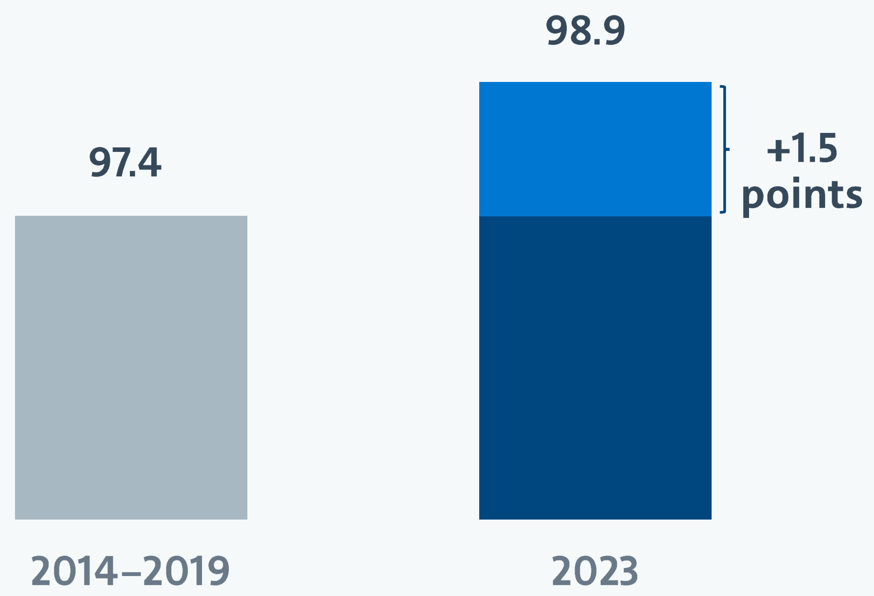
~ $350 million
Revenue

~ $100 million
Net operating income benefit

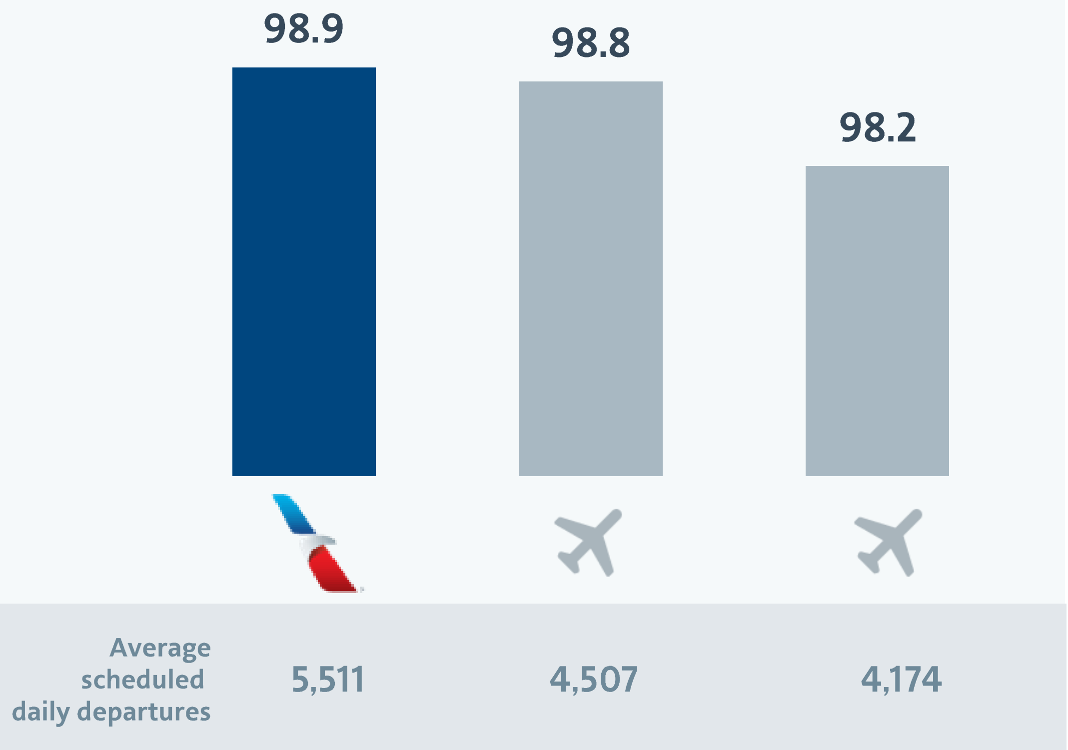
Source: Representative internal data.

A strong operational foundation

Historic full-year completion factor
%



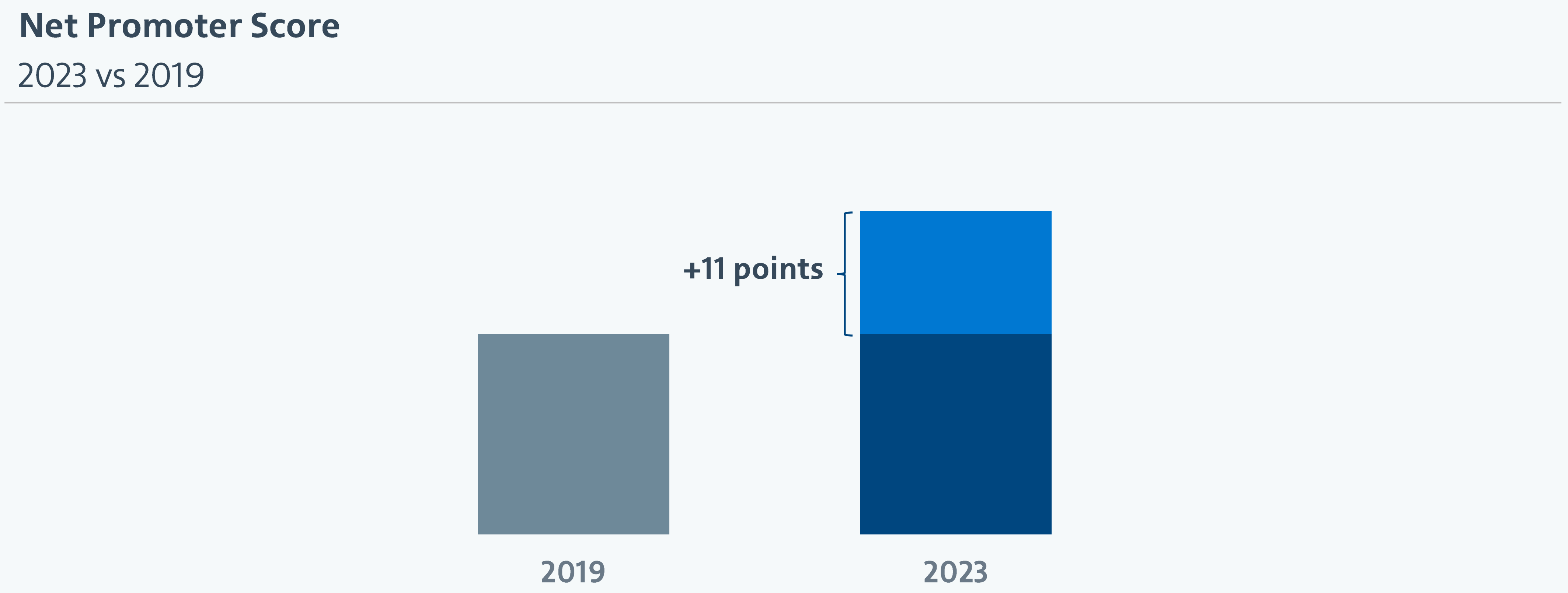
2023 full-year completion factor
%, Major network carriers' combined operation



Source: Internal data.

Source: Internal data and masFlight.

Our customers are noticing



Source: Net Promoter Score.

Driving further efficiencies

Workforce and schedule planning

Asset utilization

Decision support tools

Improved utilization of our assets

- Younger, simplified fleet
- Electronic maintenance records
- Predictive maintenance work

Increasing engine overhaul capacity by 60%.

Source: Internal data.

Using technology and big data to solve optimally

- Everyday decisions
- Irregular operations

Mastering the turn

- Cleaning
- Catering
- Servicing lavatories
- Deplaning/boarding
- Fueling
- Unloading/loading bags

Visibility into performance

Note: Data shown is illustrative.

Using technology and big data to solve optimally

- Everyday decisions
- Irregular operations

The entire team is pursuing operational excellence.

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

Better and greater output	+ 166%
Reduced time to market	- 68%
Increased deploy frequency	+ 382%
Improved employee NPS	+ 63 pts

Source: Scrum Inc.

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

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

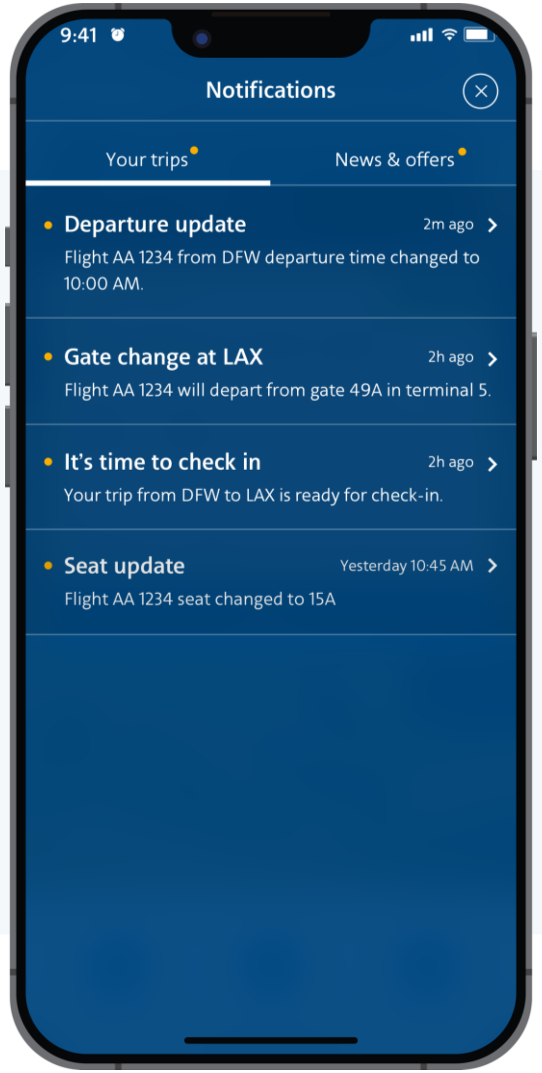
eAML: Electronic Aircraft Maintenance Log

- 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

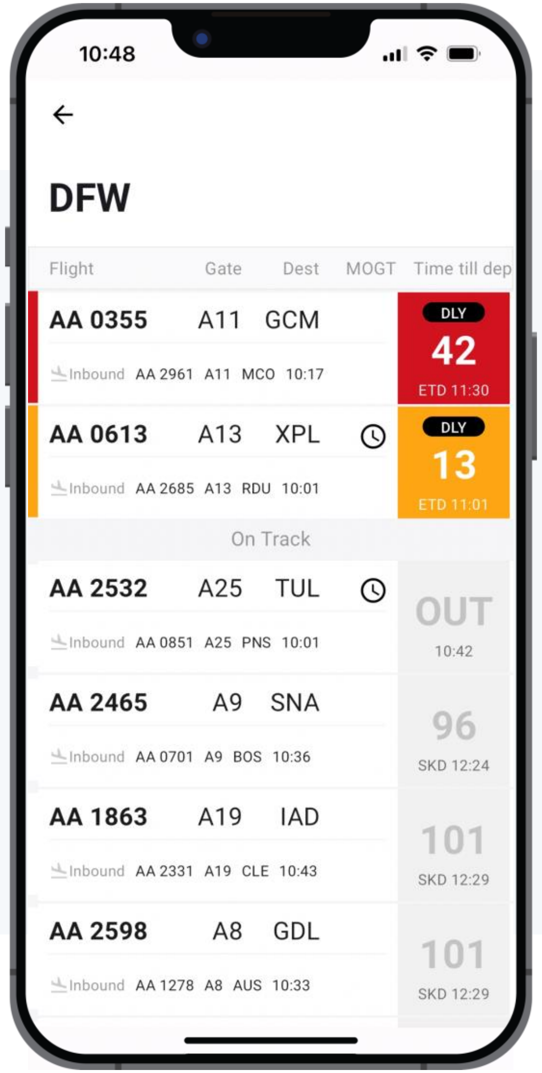
Source: Internal data.

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



Mobile App
Customer notifications



GET STAT
Situational Turn Awareness Tool

Note: Data shown is illustrative.

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

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

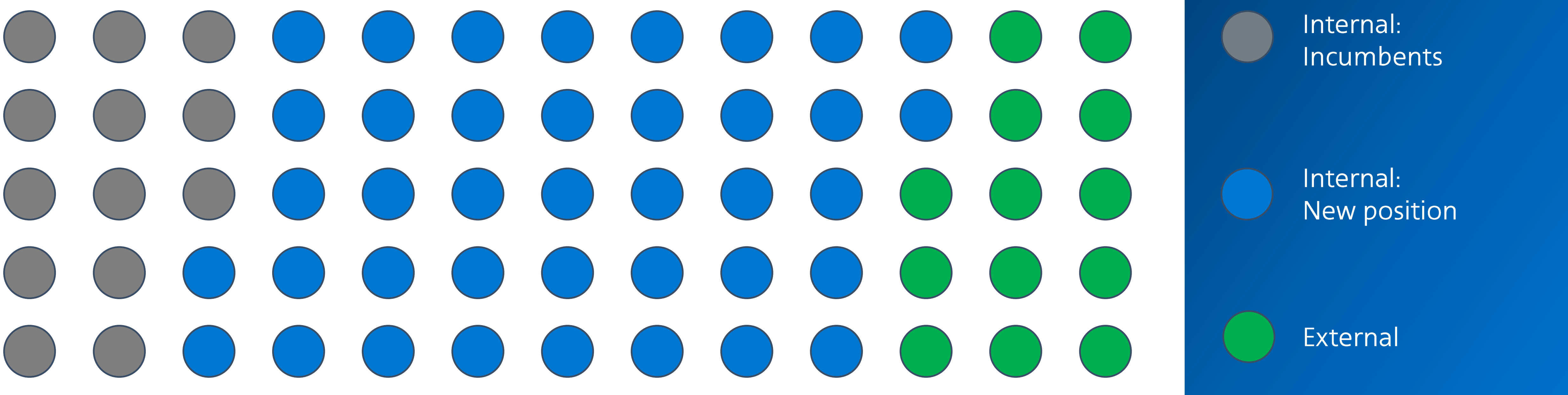
Introduction and joining American

Hiring: The right talent in the right place

Culture of performance and accountability

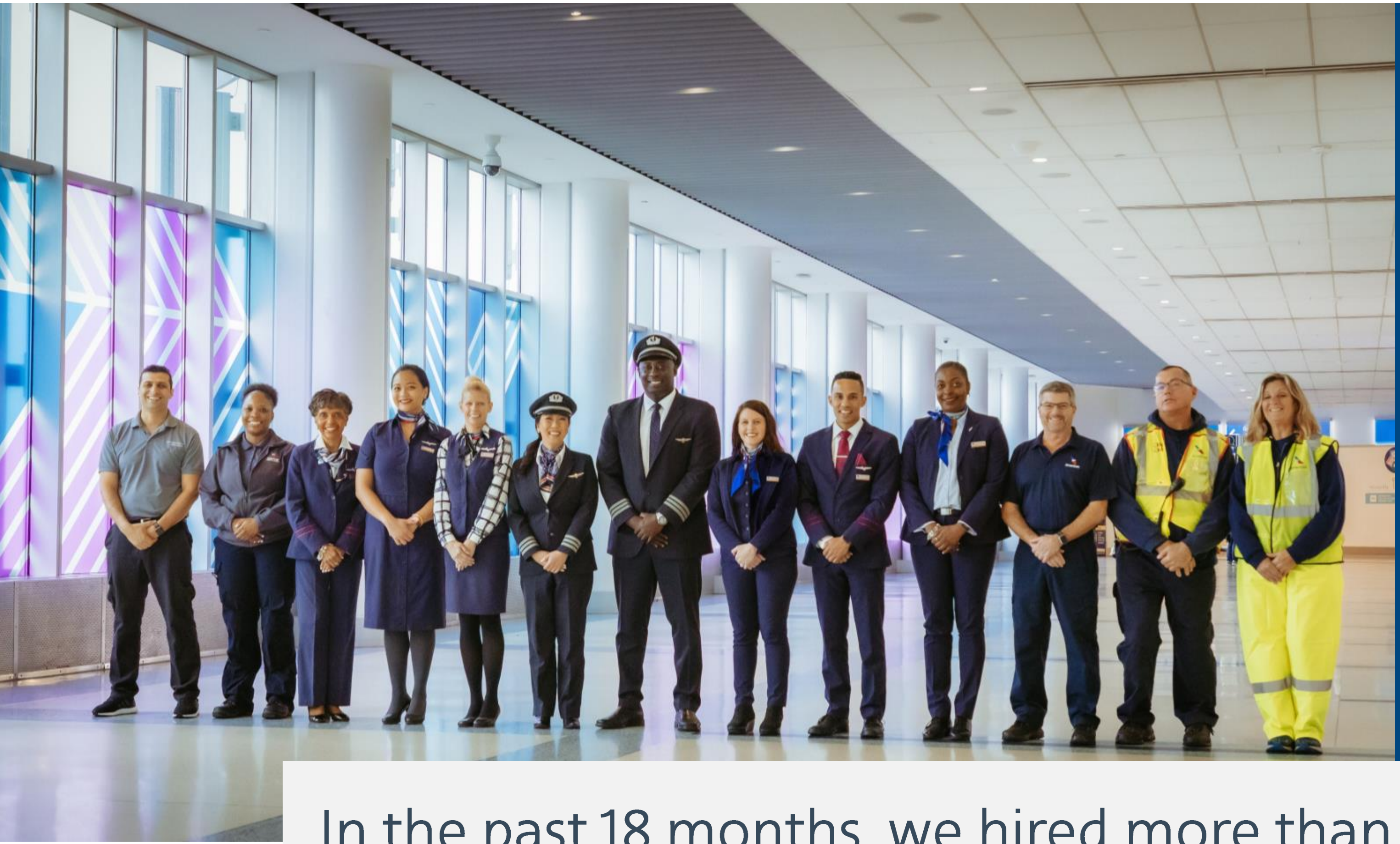
American Airlines Group

Officer team



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

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	Operational excellence	Network	Rewards	Reengineering the business
Young & simplified	Strong, reliable operation	Strongest domestic & short-haul international network	Leading travel rewards program & co-branded credit card opportunity	Asset utilization, productivity, procurement

Margin expansion

Long-term free cash flow generation

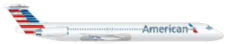
Fleet transformation: 2014–2022

- **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**

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

Aircraft Families	Today
777	
787	
A320 family	
737	

Average age: 13 years

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

Mainline

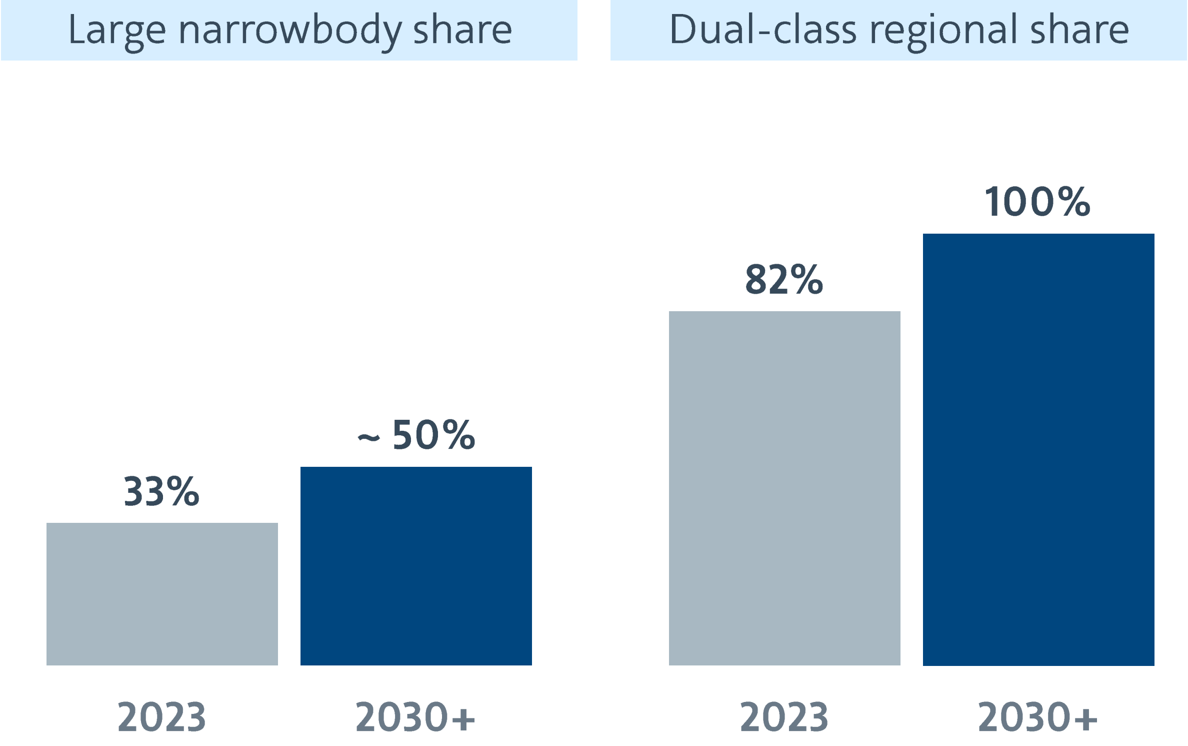
Airbus A321neo

Boeing 737 MAX 10

Regional

Embraer E175

Large narrowbody and dual-class regional share[1]



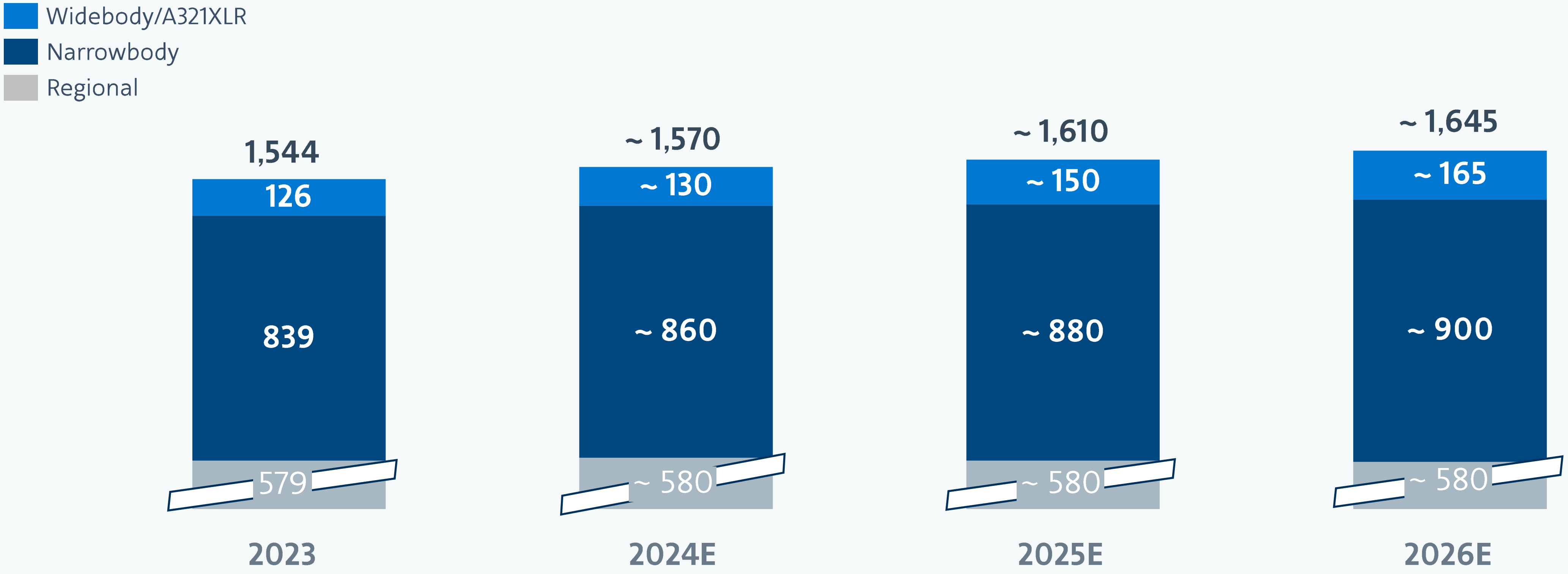
1. Large narrowbodies are 190+ seats and dual-class regional jets have 65-76 seats.
Source: Internal data.

Fleet plan enables flexibility

No mainline retirements required through 2030

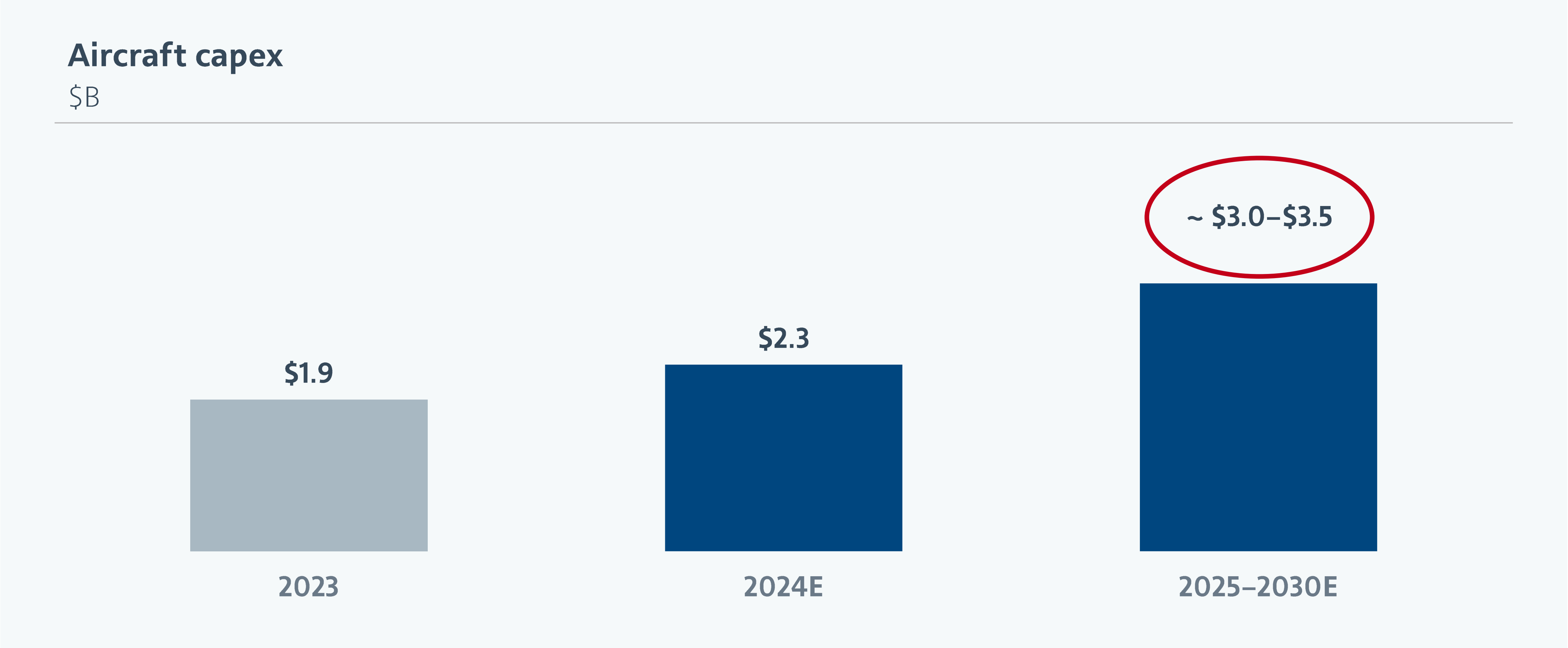
Focus on **larger regional aircraft** will continue to drive network connectivity

Total fleet plan[1]



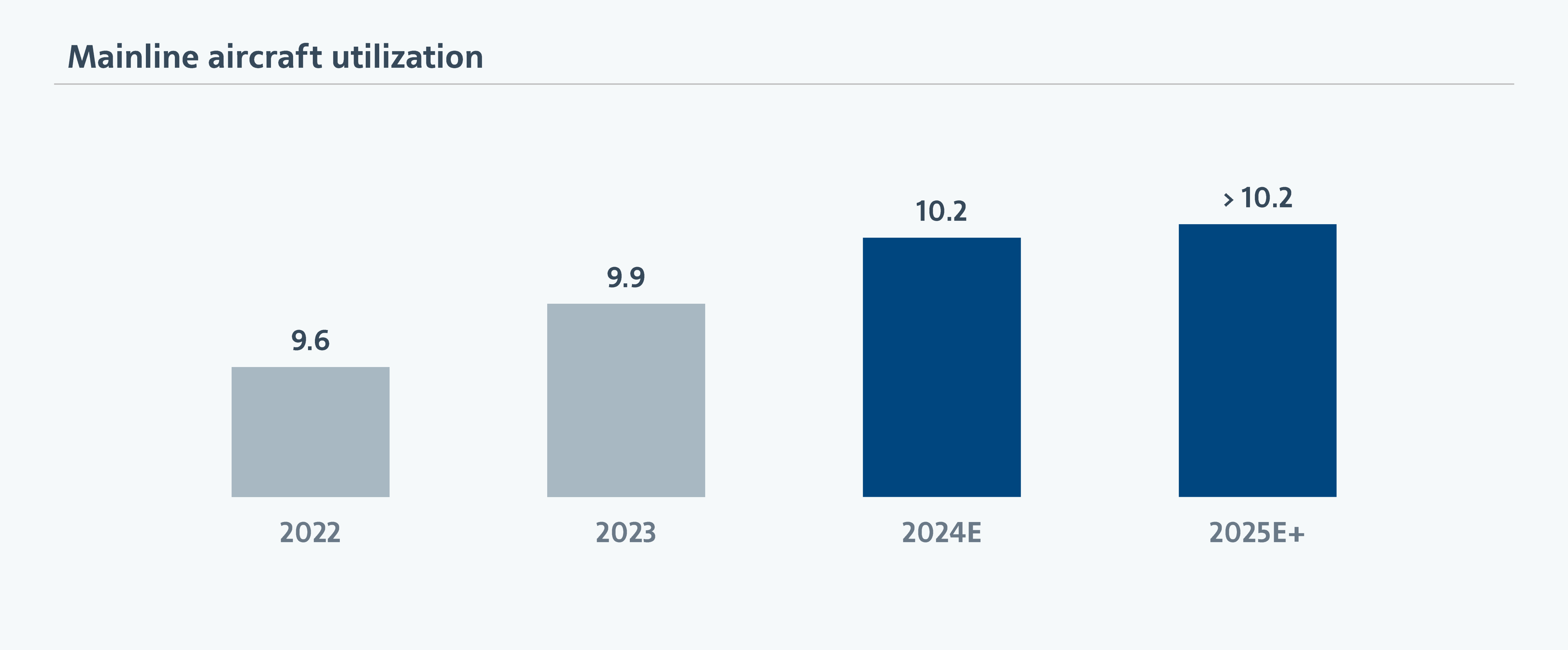
1. Fleet counts at year end. 2023 regional count is inclusive of 23 regional aircraft planned to return to service in 2024. Delivery schedule represents our best estimate as of the date of this presentation. Actual delivery dates are subject to change, which could be material based on various potential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

Modest aircraft capex requirements



Source: Airline financials.

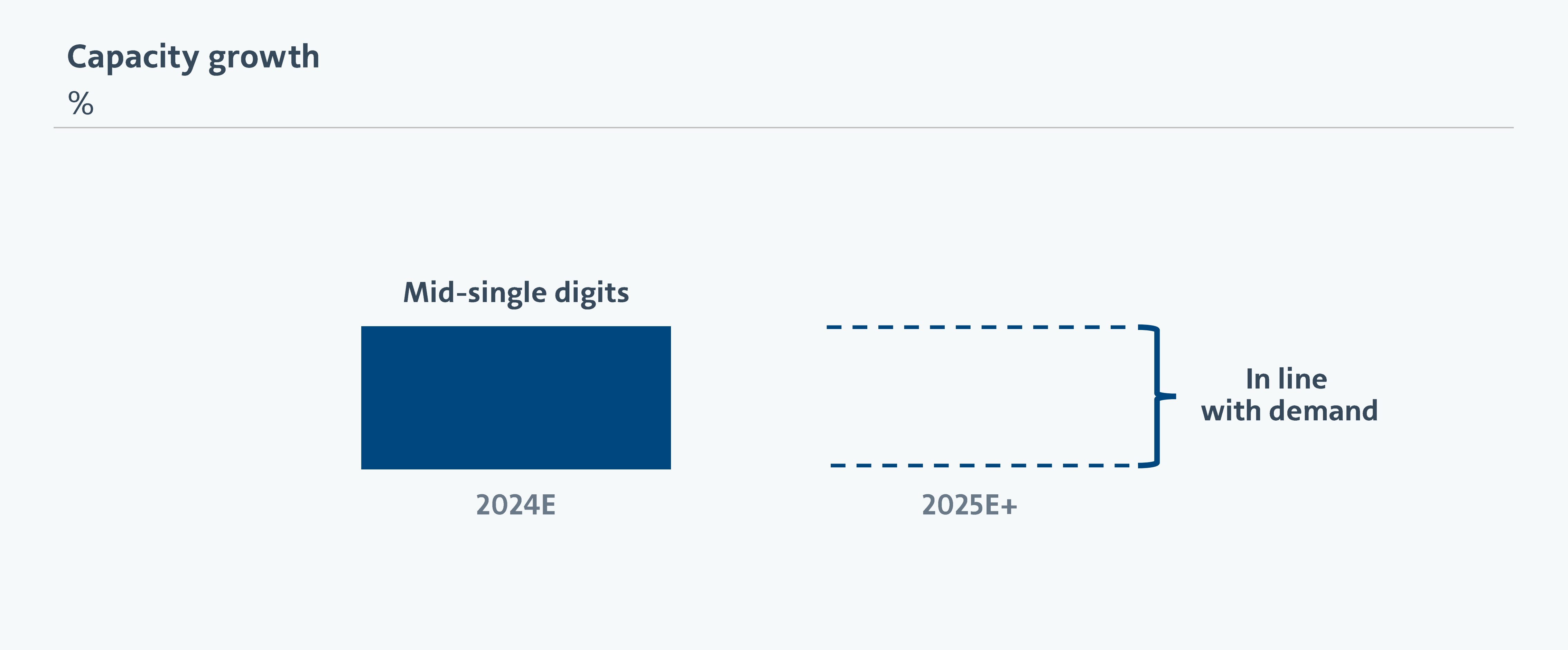
Optimized fleet and strong operation allows for improved aircraft utilization



Source: Internal data.

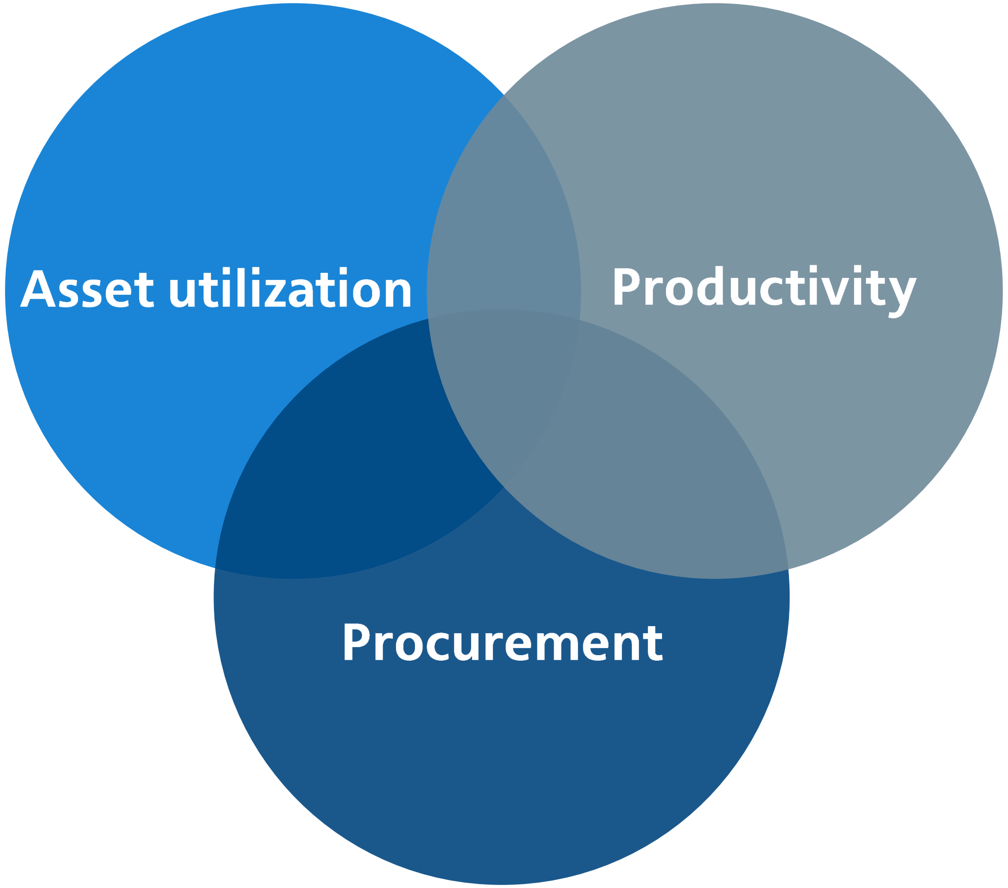
Capacity expectations

Fleet flexibility allows us to match capacity with demand



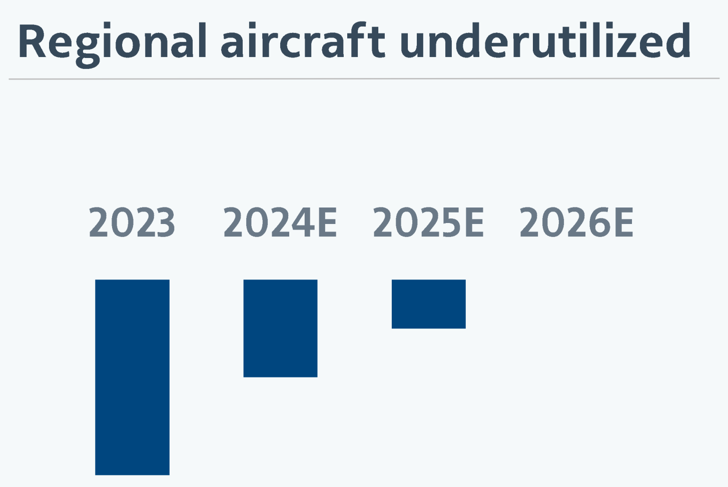
Reengineering the business

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



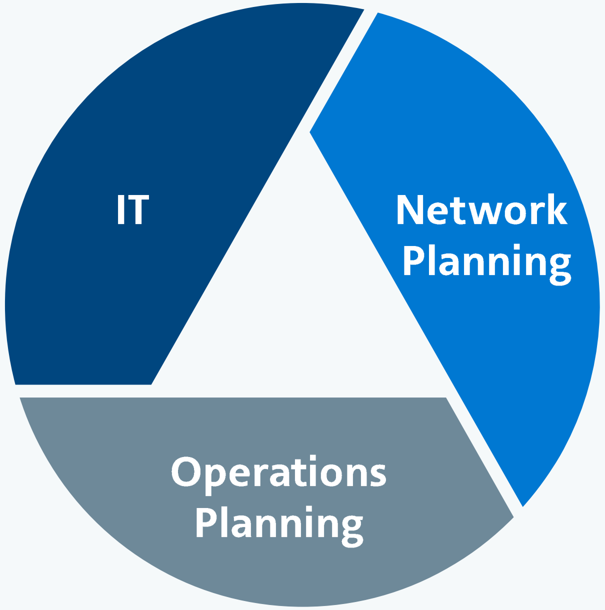
Improve asset utilization

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

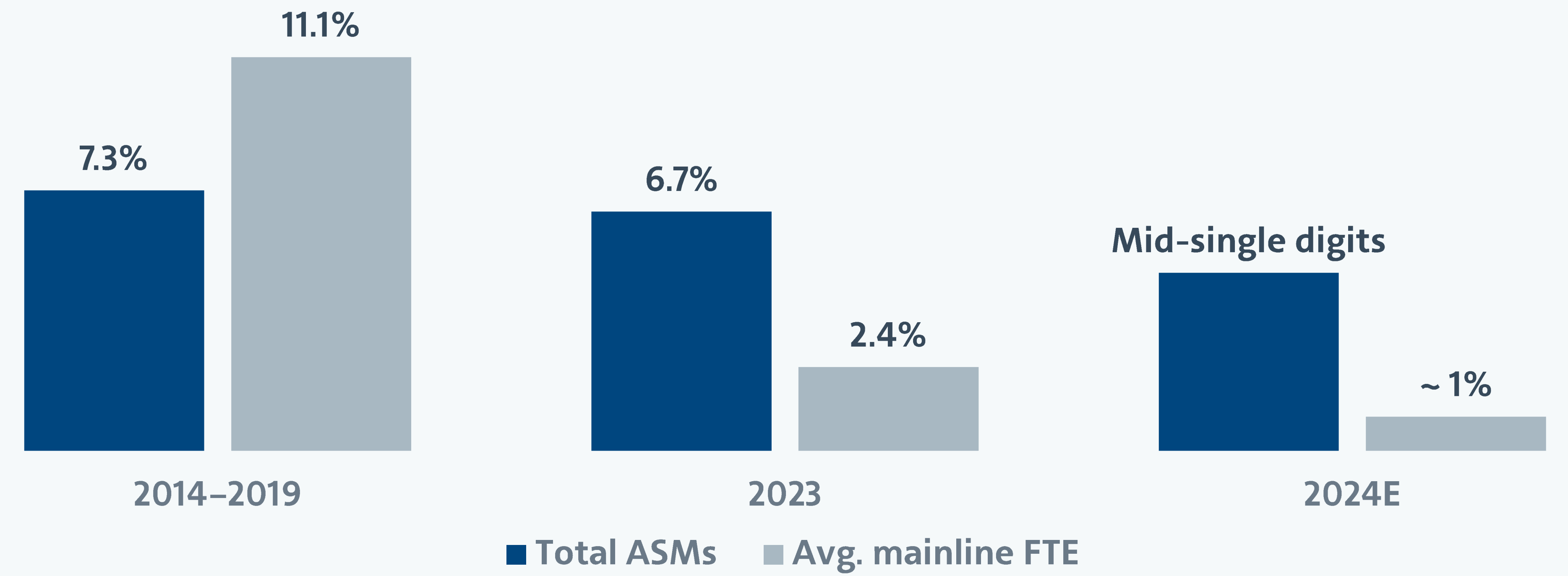
Underpinned by modern technology and streamlined processes

Growing efficiently and enhancing productivity

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

Capacity growth and average headcount growth

%



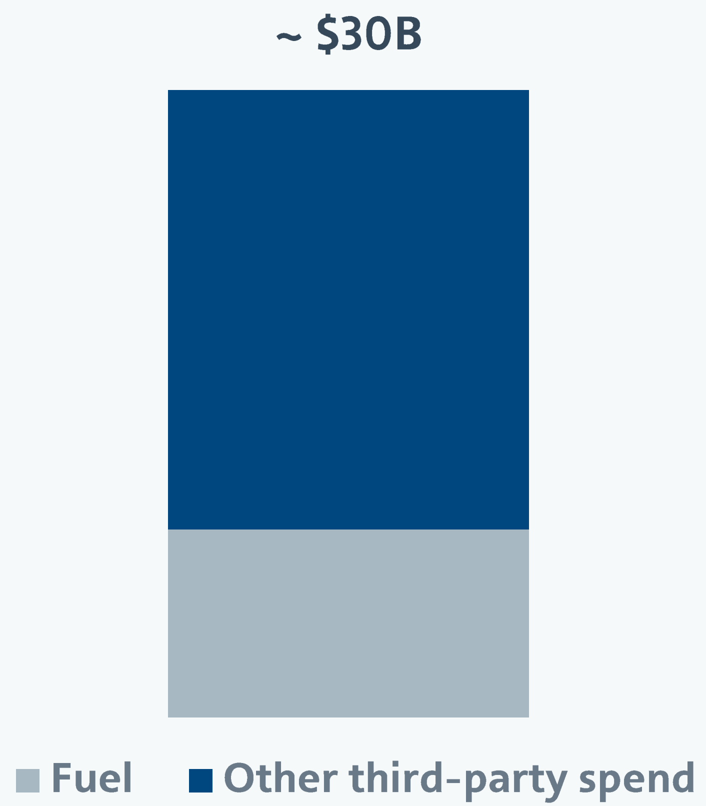
Source: Internal data.

Transforming procurement

Our focus

- Modernize procurement operating model
- Strategic category management
- Improve net working capital
- Digital automation

Third-party spend category



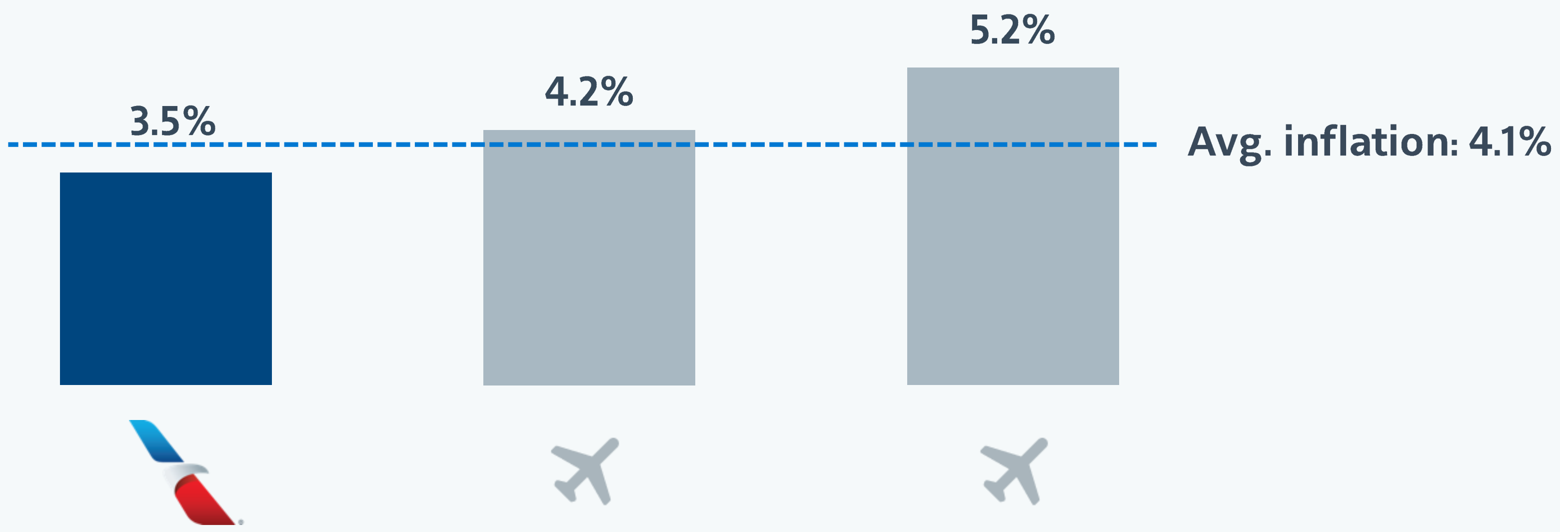
Source: Internal data.

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

CASM-ex[1] CAGR 2019–2023

%

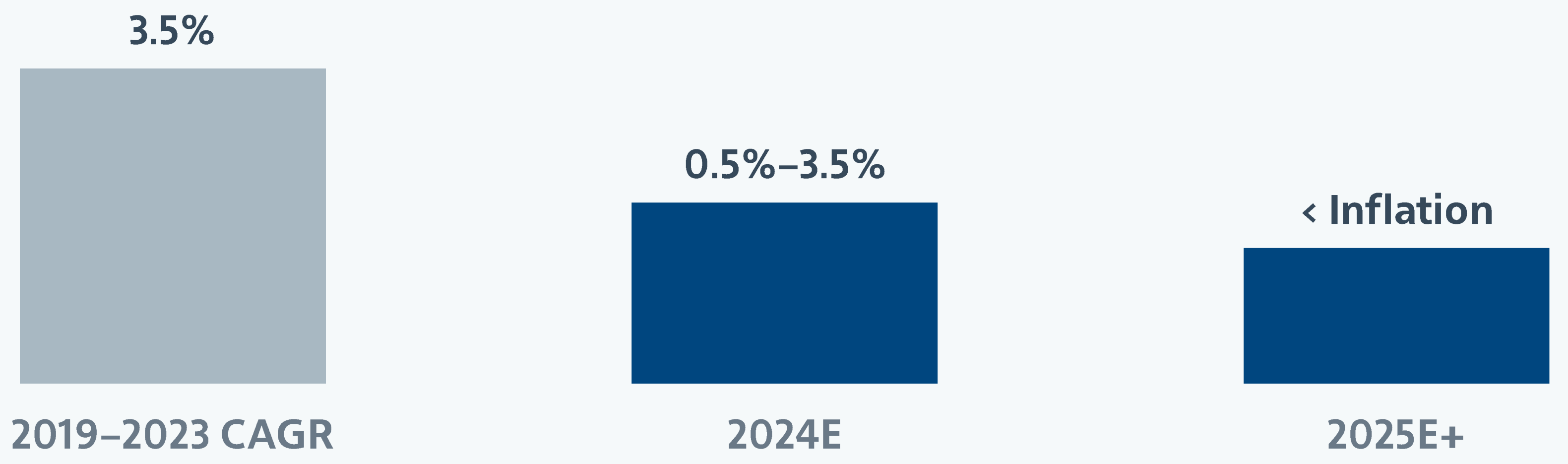


Total ASMs 2023 vs 2019	(2.6%)	2.2%	(1.2%)

1. 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

CASM-ex[1] growth
YoY %



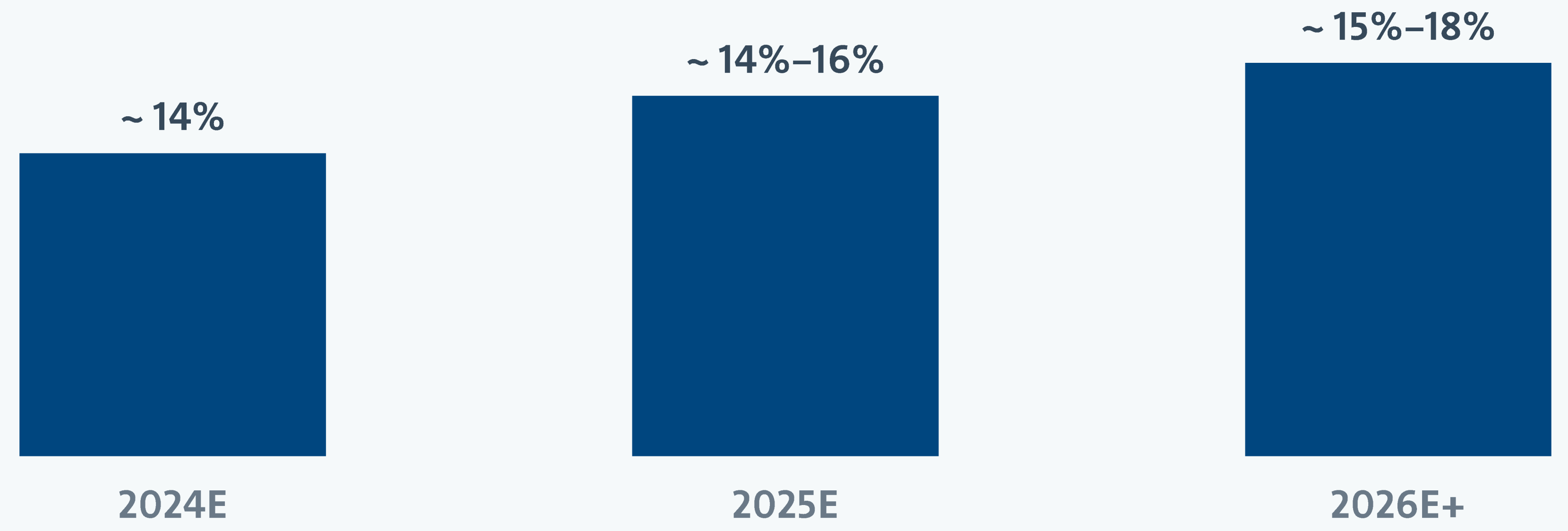
Note: The Company is unable to fully reconcile certain forward-looking guidance to the corresponding GAAP measure because the full nature and amount of net special items cannot be determined at this time.
1. CASM excluding fuel, special items and profit sharing and is a non-GAAP measure. See GAAP to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

Financial targets

Adj. EBITDAR margin expansion

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

Adj. EBITDAR margin[1]
%

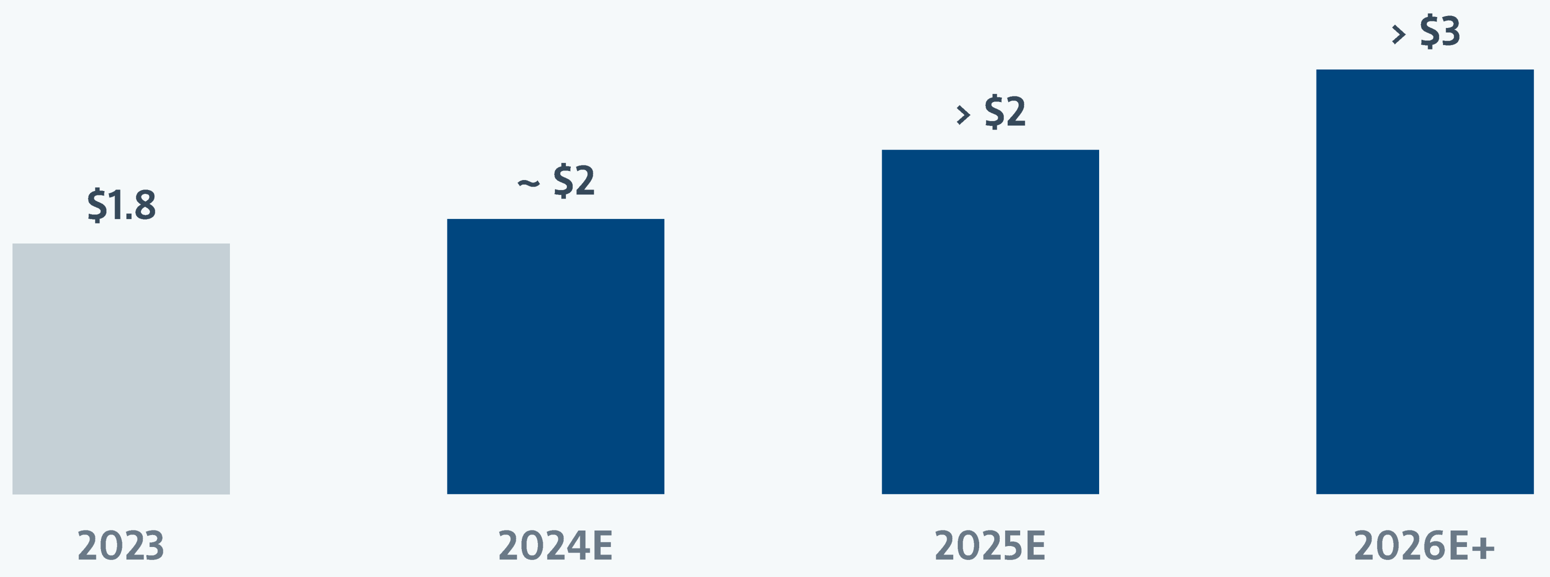


Note: The Company is unable to fully reconcile certain forward-looking guidance to the corresponding GAAP measure because the full nature and amount of net special items cannot be determined at this time.
1. Adjusted EBITDAR is defined as earnings excluding the impact of net special items before net 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

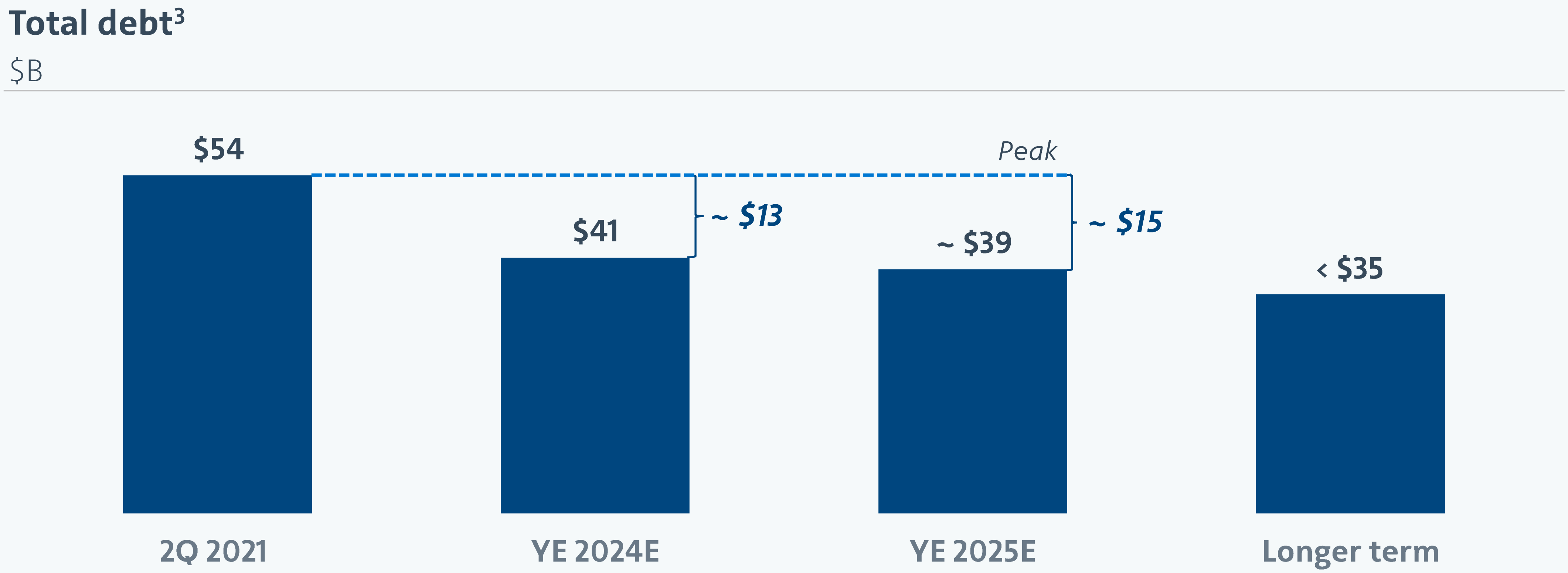
Free cash flow[1]
$B



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[1] from peak levels and have achieved over 75% of our $15 billion debt reduction goal[2]



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

Financial targets

	2024E	2025E	2026E+
Adj. EBITDAR margin[1]	~ 14%	~ 14%–16%	~ 15%–18%
Free cash flow[2]	~ $2B	> $2B	> $3B
Total debt[3]	~ $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.

	12 Months Ended December 31,				
Reconciliation of Pre-Tax Income (Loss) Excluding Net Special Items	**2019**	**2020**	**2021**	**2022**	**2023**
			(in millions)		
Pre-tax income (loss) as reported	$ 2,256	$ (11,453)	$ (2,548)	$ 186	$ 1,121
Pre-tax net special items:					
Mainline operating special items, net (1)	635	(657)	(4,006)	193	971
Regional operating special items, net (2)	6	(309)	(449)	5	8
Nonoperating special items, net (3)	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

	12 Months Ended December 31,		
Reconciliation of CASM Excluding Net Special Items, Fuel and Profit Sharing	**2019**	**2023**	**CAGR 2019 to 2023**
	(in cents)		
Total operating expenses per ASM as reported	14.98	17.92	
Mainline operating special items, net (1)	(0.22)	(0.35)	
Regional operating special items, net (2)	-	-	
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.

GAAP to non-GAAP reconciliation

Footnotes:

(1) 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.

(2) 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.

(3) 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 [1]		(1,997)
Free cash flow	$	1,806

[1] 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)