

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): **January 23, 2025**

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 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On January 23, 2025, American Airlines Group Inc. (the Company) issued a press release reporting financial results for the three and twelve months ended December 31, 2024. The press release is furnished as Exhibit 99.1 to this report.

ITEM 7.01. REGULATION FD DISCLOSURE.

On January 23, 2025, the Company provided a presentation to investors. This investor presentation is located on the Company's website at www.aa.com under "Investor Relations" and is furnished as Exhibit 99.2 to this report.

Also on January 23, 2025, the Company provided an update for investors presenting information relating to its financial and operational outlook for the first quarter and full year 2025. This investor update is located on the Company's website at www.aa.com under "Investor Relations" and is furnished as Exhibit 99.3 to this report.

The information in Items 2.02 and 7.01 of this Current Report on Form 8-K, including Exhibits 99.1, 99.2 and 99.3, 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.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release, dated January 23, 2025.
99.2	Investor Presentation, dated January 23, 2025.
99.3	Investor Update, dated January 23, 2025.
104.1	Cover page interactive data file (embedded within the Inline XBRL document).

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: January 23, 2025

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: January 23, 2025

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

**PRESS RELEASE**

Corporate Communications
mediarelations@aa.com

Investor Relations
investor.relations@aa.com

FOR RELEASE: Thursday, Jan. 23, 2025

AMERICAN AIRLINES REPORTS FOURTH-QUARTER AND FULL-YEAR 2024 FINANCIAL RESULTS

FORT WORTH, Texas — American Airlines Group Inc. (NASDAQ: AAL) today reported its fourth-quarter and full-year 2024 financial results, including:

- **Record fourth-quarter revenue of \$13.7 billion and record full-year revenue of \$54.2 billion**
- **Fourth-quarter and full-year GAAP net income of \$590 million and \$846 million, or \$0.84 and \$1.24 per diluted share, respectively**
- **Excluding net special items¹, fourth-quarter and full-year net income of \$609 million and \$1.4 billion, or \$0.86 and \$1.96 per diluted share, respectively**
- **Generated \$4 billion in full-year operating cash flow and record full-year free cash flow² of \$2.2 billion**
- **Announced an exclusive 10-year co-branded credit card partnership with Citi, which is expected to unlock even more value for AAdvantage[®] co-branded and Citi-branded cardmembers**
- **Achieved total debt³ reduction goal of \$15 billion from peak levels — a full year ahead of schedule**

"The American Airlines team achieved a number of important objectives in 2024," said American's CEO Robert Isom. "We continue to run a reliable operation, and we are reengineering the business to build an even more efficient airline. That, coupled with our commercial actions, resulted in strong financial performance in the fourth quarter. As we look ahead to this year, American remains well-positioned because of the strength of our network, loyalty and co-branded credit card programs, fleet and operational reliability, and the tremendous work of our team."

Revenue performance

American produced record fourth-quarter and full-year revenue of \$13.7 billion and \$54.2 billion, respectively. This revenue performance was driven by the actions the airline took to adjust capacity, combined with continued demand strength. Total unit revenue inflected positive in the quarter, up 2.0% versus 2023. In the fourth quarter, American's year-over-year Domestic, Atlantic, Pacific and total passenger unit revenue results led U.S. network carriers.

Citi partnership

In December, American and Citi announced a new 10-year agreement, with Citi becoming the exclusive issuer of the AAdvantage® co-branded credit card portfolio in the U.S. starting in 2026. The new agreement is expected to drive incremental value for both companies and produce a significantly expanded loyalty and rewards ecosystem for AAdvantage® members and Citi-branded cardmembers alike. Cash remuneration from co-branded credit cards and other partners was \$6.1 billion in 2024, an increase of 17% versus 2023. Cash remuneration in 2024 included a one-time cash payment related to the new co-branded credit card agreement announced in December. This one-time payment will be amortized over the life of the new agreement beginning in 2026, and therefore had no impact on American's revenue or earnings in 2024.

Operational performance

The American Airlines team continues to deliver strong operational results, despite the extreme weather and other challenges the airline faced in the quarter and throughout the year. In the fourth quarter, American ranked second in completion factor and on-time departures among the four largest U.S. carriers. For the year, American achieved its second-best completion factor since the merger of American and US Airways, on its largest volume of passengers ever. The team continues to demonstrate its operational resilience and ability to recover from disruptions. Continued investment in the operation and technology that supports it will drive further improvements in the company's operating reliability and resiliency.

Financial performance

American delivered fourth quarter and full year earnings results ahead of its prior guidance. On a GAAP basis, the company produced an operating margin of 8.3% in the quarter and 4.8% for the full year. Excluding the impact of net special items¹, the company produced an adjusted operating margin of 8.4% in the quarter and 6.0% for the full year.

Balance sheet and liquidity

In 2024, American generated record free cash flow² of \$2.2 billion, which enabled further strengthening of its balance sheet. In the fourth quarter of 2024, American achieved its total debt³ reduction goal of \$15 billion from peak levels in mid-2021 — a full year ahead of schedule. The company remains focused on debt reduction as it works toward its stated credit ratings goal of BB. American ended the year with \$10.3 billion of total available liquidity, comprised of cash and short-term investments plus undrawn capacity under revolving credit and other facilities.

Guidance and investor update

Based on present demand trends, the current fuel price forecast and excluding the impact of special items, the company expects its first-quarter 2025 adjusted loss per diluted share⁴ to be between (\$0.20) to (\$0.40). The company expects its full-year 2025 adjusted earnings per diluted share⁴ to be between \$1.70 to \$2.70.

For additional financial forecasting detail, please refer to the company's investor update, furnished with this press release with the SEC on Form 8-K. This filing is also available at aa.com/investorrelations.

Conference call and webcast details

The company will conduct a live audio webcast of its financial results conference call at 7:30 a.m. CT today. The call will be available to the public on a listen-only basis at aa.com/investorrelations. An archive of the webcast will be available through Feb. 23.

Notes

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

1. The company recognized \$19 million of net special items in the fourth quarter after the effect of taxes, which included a \$33 million non-cash write down of regional aircraft resulting from the decision to permanently park 43 Embraer 145 aircraft. The company recognized \$516 million of net special items in 2024 after the effect of taxes, which included operating net special items of \$643 million principally related to one-time charges resulting from the ratifications of new collective bargaining agreements with the airline's mainline flight attendants and passenger service team members.
2. Please see the accompanying notes for the company's definition of free cash flow, a non-GAAP measure.
3. All references to total debt include debt, finance and operating lease liabilities and pension obligations.
4. Adjusted earnings per diluted share guidance excludes the impact of net special items. The company is unable to reconcile certain forward-looking information to GAAP as the nature or amount of net special items cannot be determined at this time.

About American Airlines Group

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

Cautionary statement regarding forward-looking statements and information

Certain of the statements contained in this report should be considered forward-looking statements within the meaning of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “estimate,” “plan,” “project,” “could,” “should,” “would,” “continue,” “seek,” “target,” “guidance,” “outlook,” “if current trends continue,” “optimistic,” “forecast” and other similar words. Such statements include, but are not limited to, statements about the company’s plans, objectives, expectations, intentions, estimates and strategies for the future, and other statements that are not historical facts. These forward-looking statements are based on the company’s current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth herein as well as in the company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (especially in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations and Part II, Item 1A. Risk Factors), and other risks and uncertainties listed from time to time in the company’s other filings with the Securities and Exchange Commission. Additionally, there may be other factors of which the company is not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. The company does not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statement.

American Airlines Group Inc.
Condensed Consolidated Statements of Operations
(In millions, except share and per share amounts)
(Unaudited)

	3 Months Ended December 31,		Percent Increase (Decrease)	12 Months Ended December 31,		Percent Increase (Decrease)
	2024	2023		2024	2023	
Operating revenues:						
Passenger	\$ 12,402	\$ 12,010	3.3	\$ 49,586	\$ 48,512	2.2
Cargo	220	199	10.5	804	812	(0.9)
Other	1,038	853	21.8	3,821	3,464	10.3
Total operating revenues	13,660	13,062	4.6	54,211	52,788	2.7
Operating expenses:						
Aircraft fuel and related taxes	2,502	3,159	(20.8)	11,418	12,257	(6.8)
Salaries, wages and benefits	4,104	3,689	11.2	16,021	14,580	9.9
Regional expenses:						
Regional operating expenses	1,228	1,101	11.5	4,723	4,325	9.2
Regional depreciation and amortization	81	79	2.0	319	318	0.3
Maintenance, materials and repairs	971	875	10.9	3,794	3,265	16.2
Other rent and landing fees	789	714	10.5	3,303	2,928	12.8
Aircraft rent	297	338	(12.2)	1,242	1,369	(9.2)
Selling expenses	480	443	8.7	1,812	1,799	0.7
Depreciation and amortization	503	480	4.7	1,926	1,936	(0.5)
Special items, net	(14)	9	nm ⁽¹⁾	610	971	(37.2)
Other	1,585	1,519	4.4	6,429	6,006	7.0
Total operating expenses	12,526	12,406	1.0	51,597	49,754	3.7
Operating income	1,134	656	72.7	2,614	3,034	(13.9)
Nonoperating income (expense):						
Interest income	106	136	(22.2)	468	591	(20.8)
Interest expense, net	(470)	(519)	(9.5)	(1,934)	(2,145)	(9.9)
Other income (expense), net	25	(241)	nm	6	(359)	nm
Total nonoperating expense, net	(339)	(624)	(45.7)	(1,460)	(1,913)	(23.7)
Income before income taxes	795	32	nm	1,154	1,121	2.9
Income tax provision	205	13	nm	308	299	2.9
Net income	\$ 590	\$ 19	nm	\$ 846	\$ 822	2.9
Earnings per common share:						
Basic	\$ 0.90	\$ 0.03		\$ 1.29	\$ 1.26	
Diluted	\$ 0.84	\$ 0.03		\$ 1.24	\$ 1.21	
Weighted average shares outstanding (in thousands):						
Basic	657,746	654,725		656,996	653,612	
Diluted	723,690	657,079		721,300	719,669	

Note: Percent change may not recalculate due to rounding.

⁽¹⁾ Not meaningful or greater than 100% change.

American Airlines Group Inc.
Consolidated Operating Statistics ⁽¹⁾
(Unaudited)

	3 Months Ended December 31,			12 Months Ended December 31,		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Revenue passenger miles (millions)	60,676	58,331	4.0 %	248,795	231,926	7.3 %
Available seat miles (ASM) (millions)	71,503	69,773	2.5 %	292,948	277,723	5.5 %
Passenger load factor (percent)	84.9	83.6	1.3 pts	84.9	83.5	1.4 pts
Yield (cents)	20.44	20.59	(0.7) %	19.93	20.92	(4.7) %
Passenger revenue per ASM (cents)	17.34	17.21	0.8 %	16.93	17.47	(3.1) %
Total revenue per ASM (cents)	19.10	18.72	2.0 %	18.51	19.01	(2.6) %
Cargo ton miles (millions)	526	501	5.0 %	2,067	1,840	12.3 %
Cargo yield per ton mile (cents)	41.85	39.74	5.3 %	38.92	44.13	(11.8) %
Fuel consumption (gallons in millions)	1,070	1,033	3.6 %	4,391	4,140	6.1 %
Average aircraft fuel price including related taxes (dollars per gallon)	2.34	3.06	(23.5) %	2.60	2.96	(12.2) %
Operating cost per ASM (cents)	17.52	17.78	(1.5) %	17.61	17.92	(1.7) %
Operating cost per ASM excluding net special items (cents)	17.49	17.77	(1.6) %	17.39	17.56	(1.0) %
Operating cost per ASM excluding net special items and fuel (cents)	13.99	13.24	5.7 %	13.50	13.15	2.6 %
Passenger enplanements (thousands)	55,806	53,567	4.2 %	226,405	210,692	7.5 %
Departures (thousands):						
Mainline	291	285	1.9 %	1,191	1,145	4.0 %
Regional	256	222	15.1 %	972	855	13.6 %
Total	547	507	7.7 %	2,163	2,000	8.1 %
Average stage length (miles):						
Mainline	1,147	1,157	(0.9) %	1,154	1,147	0.6 %
Regional	461	458	0.6 %	459	463	(0.7) %
Total	826	851	(3.0) %	842	855	(1.5) %
Aircraft at end of period:						
Mainline	977	965	1.2 %	977	965	1.2 %
Regional ⁽²⁾	585	556	5.2 %	585	556	5.2 %
Total	1,562	1,521	2.7 %	1,562	1,521	2.7 %
Full-time equivalent employees at end of period:						
Mainline	102,700	103,200	(0.5) %	102,700	103,200	(0.5) %
Regional ⁽³⁾	30,600	28,900	5.9 %	30,600	28,900	5.9 %
Total	133,300	132,100	0.9 %	133,300	132,100	0.9 %

Note: Amounts may not recalculate due to rounding.

⁽¹⁾ Unless otherwise noted, operating statistics include mainline and regional operations. Regional includes wholly-owned regional airline subsidiaries and operating results from capacity purchase carriers.

⁽²⁾ Includes aircraft owned and leased by American as well as aircraft operated by third-party regional carriers under capacity purchase agreements. Excluded from the aircraft count above are seven regional aircraft in temporary storage as of December 31, 2024 as follows: five Embraer 145 and two Bombardier CRJ 900.

⁽³⁾ Regional full-time equivalent employees only include our wholly-owned regional airline subsidiaries.

American Airlines Group Inc.
Consolidated Revenue Statistics by Region
(Unaudited)

	3 Months Ended December 31,		Increase (Decrease)	12 Months Ended December 31,		Increase (Decrease)
	2024	2023		2024	2023	
Domestic ⁽¹⁾						
Revenue passenger miles (millions)	41,203	39,610	4.0 %	166,302	155,374	7.0 %
Available seat miles (ASM) (millions)	48,495	46,805	3.6 %	195,250	185,206	5.4 %
Passenger load factor (percent)	85.0	84.6	0.4 pts	85.2	83.9	1.3 pts
Passenger revenue (dollars in millions)	9,051	8,744	3.5 %	35,336	34,592	2.1 %
Yield (cents)	21.97	22.08	(0.5) %	21.25	22.26	(4.6) %
Passenger revenue per ASM (cents)	18.66	18.68	(0.1) %	18.10	18.68	(3.1) %
Latin America ⁽²⁾						
Revenue passenger miles (millions)	8,860	8,570	3.4 %	35,438	33,337	6.3 %
Available seat miles (millions)	10,405	9,950	4.6 %	40,889	38,531	6.1 %
Passenger load factor (percent)	85.2	86.1	(0.9) pts	86.7	86.5	0.2 pts
Passenger revenue (dollars in millions)	1,662	1,674	(0.7) %	6,560	6,719	(2.4) %
Yield (cents)	18.76	19.53	(3.9) %	18.51	20.16	(8.2) %
Passenger revenue per ASM (cents)	15.98	16.82	(5.0) %	16.04	17.44	(8.0) %
Atlantic						
Revenue passenger miles (millions)	8,013	8,307	(3.5) %	38,407	36,581	5.0 %
Available seat miles (millions)	9,573	10,728	(10.8) %	46,574	46,056	1.1 %
Passenger load factor (percent)	83.7	77.4	6.3 pts	82.5	79.4	3.1 pts
Passenger revenue (dollars in millions)	1,324	1,330	(0.5) %	6,445	6,205	3.9 %
Yield (cents)	16.52	16.02	3.1 %	16.78	16.96	(1.1) %
Passenger revenue per ASM (cents)	13.82	12.40	11.5 %	13.84	13.47	2.7 %
Pacific						
Revenue passenger miles (millions)	2,600	1,844	41.0 %	8,648	6,634	30.4 %
Available seat miles (millions)	3,030	2,290	32.3 %	10,235	7,930	29.1 %
Passenger load factor (percent)	85.8	80.5	5.3 pts	84.5	83.7	0.8 pts
Passenger revenue (dollars in millions)	365	262	39.4 %	1,245	996	25.0 %
Yield (cents)	14.03	14.19	(1.1) %	14.39	15.00	(4.1) %
Passenger revenue per ASM (cents)	12.04	11.43	5.3 %	12.16	12.55	(3.1) %
Total International						
Revenue passenger miles (millions)	19,473	18,721	4.0 %	82,493	76,552	7.8 %
Available seat miles (millions)	23,008	22,968	0.2 %	97,698	92,517	5.6 %
Passenger load factor (percent)	84.6	81.5	3.1 pts	84.4	82.7	1.7 pts
Passenger revenue (dollars in millions)	3,351	3,266	2.6 %	14,250	13,920	2.4 %
Yield (cents)	17.21	17.45	(1.4) %	17.27	18.18	(5.0) %
Passenger revenue per ASM (cents)	14.56	14.22	2.4 %	14.59	15.05	(3.1) %

Note: Amounts may not recalculate due to rounding.

⁽¹⁾ Domestic results include Canada, Puerto Rico and U.S. Virgin Islands.

⁽²⁾ Latin America results include the Caribbean.

Reconciliation of GAAP Financial Information to Non-GAAP Financial Information

American Airlines Group Inc. (the Company) sometimes uses financial measures that are derived from the condensed consolidated financial statements 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 reconciliations of the following GAAP measures to their non-GAAP measures:

- Operating Income (GAAP measure) to Operating Income Excluding Net Special Items (non-GAAP measure)
- Operating Margin (GAAP measure) to Operating Margin Excluding Net Special Items (non-GAAP measure)
- Pre-Tax Income (GAAP measure) to Pre-Tax Income Excluding Net Special Items (non-GAAP measure)
- Pre-Tax Margin (GAAP measure) to Pre-Tax Margin Excluding Net Special Items (non-GAAP measure)
- Net Income (GAAP measure) to Net Income Excluding Net Special Items (non-GAAP measure)
- Basic and Diluted Earnings Per Share (GAAP measure) to Basic and Diluted Earnings Per Share Excluding Net Special Items (non-GAAP measure)

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.

Additionally, the tables below present the reconciliations of total operating costs (GAAP measure) to total operating costs excluding net special items and fuel (non-GAAP measure) and total operating costs per ASM (CASM) to CASM excluding net special items and fuel. Management uses total operating costs excluding net special items and fuel and CASM excluding net special items and fuel to evaluate the Company's current operating performance and for period-to-period comparisons. The price of fuel, over which the Company has no control, impacts the comparability of period-to-period financial performance. The adjustment to exclude fuel and net special items allows management an additional tool to understand and analyze the Company's non-fuel costs and core operating performance.

	3 Months Ended December 31,		Percent Increase (Decrease)	12 Months Ended December 31,		Percent Increase (Decrease)
	2024	2023		2024	2023	
Reconciliation of Operating Income Excluding Net Special Items						
	(in millions)			(in millions)		
Operating income as reported	\$ 1,134	\$ 656		\$ 2,614	\$ 3,034	
Operating net special items:						
Mainline operating special items, net ⁽¹⁾	(14)	9		610	971	
Regional operating special items, net ⁽²⁾	33	—		33	8	
Operating income excluding net special items	\$ 1,153	\$ 665	73.3%	\$ 3,257	\$ 4,013	(18.8%)
Calculation of Operating Margin						
Operating income as reported	\$ 1,134	\$ 656		\$ 2,614	\$ 3,034	
Total operating revenues as reported	\$ 13,660	\$ 13,062		\$ 54,211	\$ 52,788	
Operating margin	8.3 %	5.0 %		4.8 %	5.7 %	
Calculation of Operating Margin Excluding Net Special Items						
Operating income excluding net special items	\$ 1,153	\$ 665		\$ 3,257	\$ 4,013	
Total operating revenues as reported	\$ 13,660	\$ 13,062		\$ 54,211	\$ 52,788	
Operating margin excluding net special items	8.4 %	5.1 %		6.0 %	7.6 %	
Reconciliation of Pre-Tax Income Excluding Net Special Items						
Pre-tax income as reported	\$ 795	\$ 32		\$ 1,154	\$ 1,121	
Pre-tax net special items:						
Mainline operating special items, net ⁽¹⁾	(14)	9		610	971	
Regional operating special items, net ⁽²⁾	33	—		33	8	
Nonoperating special items, net ⁽³⁾	(6)	216		24	362	
Total pre-tax net special items	13	225		667	1,341	
Pre-tax income excluding net special items	\$ 808	\$ 257	nm	\$ 1,821	\$ 2,462	(26.0%)
Calculation of Pre-Tax Margin						
Pre-tax income as reported	\$ 795	\$ 32		\$ 1,154	\$ 1,121	
Total operating revenues as reported	\$ 13,660	\$ 13,062		\$ 54,211	\$ 52,788	
Pre-tax margin	5.8 %	0.2 %		2.1 %	2.1 %	
Calculation of Pre-Tax Margin Excluding Net Special Items						
Pre-tax income excluding net special items	\$ 808	\$ 257		\$ 1,821	\$ 2,462	
Total operating revenues as reported	\$ 13,660	\$ 13,062		\$ 54,211	\$ 52,788	
Pre-tax margin excluding net special items	5.9 %	2.0 %		3.4 %	4.7 %	

Reconciliation of Net Income Excluding Net Special Items	3 Months Ended December 31,		Percent Increase (Decrease)	12 Months Ended December 31,		Percent Increase (Decrease)
	2024	2023		2024	2023	
Net income as reported	(in millions, except share and per share amounts)			(in millions, except share and per share amounts)		
	\$ 590	\$ 19		\$ 846	\$ 822	
Net special items:						
Total pre-tax net special items ^{(1), (2), (3)}	13	225		667	1,341	
Net tax effect of net special items	6	(52)		(151)	(304)	
Net income excluding net special items	\$ 609	\$ 192	nm	\$ 1,362	\$ 1,859	(26.7%)
Reconciliation of Basic and Diluted Earnings Per Share Excluding Net Special Items						
Net income excluding net special items	\$ 609	\$ 192		\$ 1,362	\$ 1,859	
Shares used for computation (in thousands):						
Basic	657,746	654,725		656,996	653,612	
Diluted	723,690	718,807		721,300	719,669	
Earnings per share excluding net special items:						
Basic	\$ 0.93	\$ 0.29		\$ 2.07	\$ 2.84	
Diluted ⁽⁴⁾	\$ 0.86	\$ 0.29		\$ 1.96	\$ 2.65	
Reconciliation of Total Operating Costs per ASM Excluding Net Special Items and Fuel						
Total operating expenses as reported	\$ 12,526	\$ 12,406		\$ 51,597	\$ 49,754	
Operating net special items:						
Mainline operating special items, net ⁽¹⁾	14	(9)		(610)	(971)	
Regional operating special items, net ⁽²⁾	(33)	—		(33)	(8)	
Total operating expenses excluding net special items	12,507	12,397		50,954	48,775	
Aircraft fuel and related taxes	(2,502)	(3,159)		(11,418)	(12,257)	
Total operating expenses excluding net special items and fuel	\$ 10,005	\$ 9,238		\$ 39,536	\$ 36,518	
Total operating expenses per ASM as reported	17.52	17.78		17.61	17.92	
Operating net special items per ASM:						
Mainline operating special items, net ⁽¹⁾	0.02	(0.01)		(0.21)	(0.35)	
Regional operating special items, net ⁽²⁾	(0.05)	—		(0.01)	—	
Total operating expenses per ASM excluding net special items	17.49	17.77		17.39	17.56	
Aircraft fuel and related taxes per ASM	(3.50)	(4.53)		(3.90)	(4.41)	
Total operating expenses per ASM excluding net special items and fuel	13.99	13.24		13.50	13.15	

Note: Amounts may not recalculate due to rounding.

FOOTNOTES:

⁽¹⁾ The 2024 twelve month period mainline operating special items, net included \$605 million of one-time charges resulting from the ratifications of new collective bargaining agreements with our mainline flight attendants and passenger service team members.

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 2024 three and twelve month period regional operating special items, net included a \$33 million non-cash write down of regional aircraft resulting from the decision to permanently park 43 Embraer 145 aircraft.

⁽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.

⁽⁴⁾ The 2024 three and twelve month period diluted earnings per share gives effect to, among other things, the Company's outstanding 6.5% senior convertible notes by (a) adding back to earnings \$15 million and \$51 million of interest expense, respectively, related to such convertible notes, net of estimated profit sharing and tax effects and (b) including in the diluted shares outstanding, 61.7 million shares issuable in respect to such convertible notes.

The 2023 three and twelve month period diluted earnings per share gives effect to, among other things, the Company's outstanding 6.5% senior convertible notes by (a) adding back to earnings \$13 million and \$47 million of interest expense, respectively, related to such convertible notes, net of estimated profit sharing, short-term incentive and tax effects and (b) including in the diluted shares outstanding, 61.7 million shares issuable in respect to such convertible notes.

American Airlines Group Inc.
Condensed Consolidated Statements of Cash Flows
(In millions)(Unaudited)

	Year Ended December 31,	
	2024	2023
Net cash provided by operating activities	\$ 3,983	\$ 3,803
Cash flows from investing activities:		
Capital expenditures and aircraft purchase deposits	(2,683)	(2,596)
Proceeds from sale-leaseback transactions and sale of property and equipment	654	230
Sales of short-term investments	8,013	8,861
Purchases of short-term investments	(7,194)	(7,323)
Decrease in restricted short-term investments	177	51
Other investing activities	65	275
Net cash used in investing activities	(968)	(502)
Cash flows from financing activities:		
Payments on long-term debt and finance leases	(4,467)	(7,718)
Proceeds from issuance of long-term debt	1,670	4,822
Other financing activities	3	(310)
Net cash used in financing activities	(2,794)	(3,206)
Net increase in cash and restricted cash	221	95
Cash and restricted cash at beginning of year	681	586
Cash and restricted cash at end of year ⁽¹⁾	\$ 902	\$ 681

⁽¹⁾ The following table provides a reconciliation of cash and restricted cash to amounts reported within the condensed consolidated balance sheets:

Cash	\$ 804	\$ 578
Restricted cash included in restricted cash and short-term investments	98	103
Total cash and restricted cash	\$ 902	\$ 681

Free Cash Flow

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.

	Year Ended December 31, 2024	
	(in millions)	
Net cash provided by operating activities	\$	3,983
Adjusted net cash used in investing activities ⁽¹⁾		(1,782)
Free cash flow	\$	2,201

⁽¹⁾ The following table provides a reconciliation of adjusted net cash used in investing activities for the year ended December 31, 2024 (in millions):

Net cash used in investing activities	\$	(968)
Adjustments:		
Net sales of short-term investments		(819)
Decrease in restricted cash		5
Adjusted net cash used in investing activities	\$	(1,782)

American Airlines Group Inc.
Condensed Consolidated Balance Sheets
(In millions, except shares)

	December 31, 2024 (unaudited)	December 31, 2023
Assets		
Current assets		
Cash	\$ 804	\$ 578
Short-term investments	6,180	7,000
Restricted cash and short-term investments	732	910
Accounts receivable, net	2,006	2,026
Aircraft fuel, spare parts and supplies, net	2,638	2,400
Prepaid expenses and other	794	658
Total current assets	13,154	13,572
Operating property and equipment		
Flight equipment	43,521	41,794
Ground property and equipment	10,202	10,307
Equipment purchase deposits	1,012	760
Total property and equipment, at cost	54,735	52,861
Less accumulated depreciation and amortization	(23,608)	(22,097)
Total property and equipment, net	31,127	30,764
Operating lease right-of-use assets		
	7,333	7,939
Other assets		
Goodwill	4,091	4,091
Intangibles, net	2,044	2,051
Deferred tax asset	2,485	2,888
Other assets	1,549	1,753
Total other assets	10,169	10,783
Total assets	\$ 61,783	\$ 63,058
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities		
Current maturities of long-term debt and finance leases	\$ 5,014	\$ 3,632
Accounts payable	2,455	2,353
Accrued salaries and wages	2,150	2,377
Air traffic liability	6,759	6,200
Loyalty program liability	3,556	3,453
Operating lease liabilities	1,092	1,309
Other accrued liabilities	2,961	2,738
Total current liabilities	23,987	22,062
Noncurrent liabilities		
Long-term debt and finance leases, net of current maturities	25,462	29,270
Pension and postretirement benefits	2,128	3,044
Loyalty program liability	6,498	5,874
Operating lease liabilities	5,976	6,452
Other liabilities	1,709	1,558
Total noncurrent liabilities	41,773	46,198
Stockholders' equity (deficit)		
Common stock, 657,566,166 shares outstanding at December 31, 2024	7	7
Additional paid-in capital	7,424	7,374
Accumulated other comprehensive loss	(4,565)	(4,894)
Retained deficit	(6,843)	(7,689)
Total stockholders' deficit	(3,977)	(5,202)
Total liabilities and stockholders' equity (deficit)	\$ 61,783	\$ 63,058

American Airlines Group Inc.

Exhibit 99.2

FOURTH- QUARTER AND FULL-YEAR 2024 FINANCIAL RESULTS

January 23, 2025



Forward-looking statements

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 Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (especially in Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and Part II, Item 1A. Risk Factors), and other risks and uncertainties listed from time to time in the Company's other filings with the Securities and Exchange Commission. Additionally, there may be other factors of which the Company is not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. The Company does not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statement.



Strong fourth-quarter and full-year results

- **Achieved \$15 billion total debt¹ reduction goal a full year ahead of schedule.**
- Generated \$4 billion in full-year operating cash flow and **record full-year free cash flow² of \$2.2 billion.**
- **Record full-year revenue of \$54 billion.**
- Fourth-quarter GAAP earnings per diluted share of \$0.84 and full-year earnings per diluted share of \$1.24.
- Excluding net special items², fourth-quarter earnings per diluted share of \$0.86 and full-year earnings per diluted share of \$1.96.
- Achieved nearly \$500 million in cost savings in 2024, **\$100 million more than target.**



1. Total debt includes debt, finance and operating lease liabilities and pension obligations.

2. See GAAP to non-GAAP and free cash flow reconciliations at the end of this presentation. Full-year 2024 free cash flow is inclusive of a one-time cash payment related to the new co-branded credit card agreement announced in December 2024. This one-time payment will be amortized over the life of the new agreement beginning in 2026 and therefore had no impact on American's revenue or earnings in 2024.

Fourth-quarter financial results

	GAAP		Non-GAAP ¹	
	Q4 2024	Q4 2023	Q4 2024	Q4 2023
	<i>(in millions, except share and per share amounts)</i>			
Operating income	\$1,134	\$656	\$1,153	\$665
Pretax income	\$795	\$32	\$808	\$257
Net income	\$590	\$19	\$609	\$192
Earnings per common share:				
Basic	\$0.90	\$0.03	\$0.93	\$0.29
Diluted	\$0.84	\$0.03	\$0.86	\$0.29
Weighted average shares outstanding (in thousands):				
Basic	657,746	654,725	657,746	654,725
Diluted	723,690	657,079	723,690	718,807

Note: May not recalculate due to rounding.
¹ See GAAP to non-GAAP reconciliation at the end of this presentation.
Source: Airline financials.

Moderate capex enables strong free cash flow generation

- Young fleet enables moderate capex profile.
- 2025 capex expected to be lower than prior plans due to aircraft delivery delays.
- Expect to generate **over \$2 billion in free cash flow¹ in 2025.**

Total Aircraft Capex
(\$ in billions)



1. Free cash flow is a non-GAAP measure. The company defines free cash flow 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.
Source: Airline financials.

Achieved \$15 billion total debt reduction goal one year ahead of plan

- Now committing to reducing total debt¹ to below \$35 billion by year-end 2027, a full year ahead of plan.



Note: Numbers may not recalculate due to rounding.
1. Total debt includes debt, finance and operating lease liabilities and pension obligations.
Source: Airline financials.

Commercial update



Co-branded credit card agreement



- Citi to become the exclusive U.S. issuer of AAdvantage® co-branded credit cards in 2026.
- 10-year agreement expected to expand loyalty and rewards offering for AAdvantage® members and Citi-branded cardmembers.
- Combined Citi®/AAdvantage® card portfolio projected to drive incremental value for both companies.

~ \$6.1 billion¹

FY 2024 cash remuneration from co-branded credit card and other partners

~ 10% annual growth

expected in cash remuneration from co-branded credit card and other partners

~ \$1.5 billion

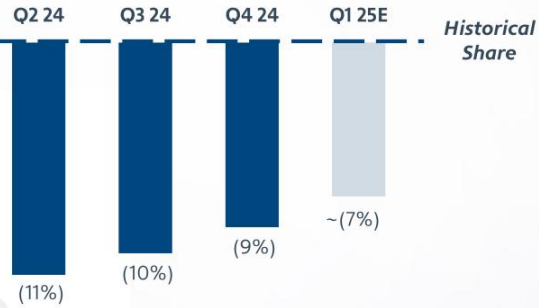
projected annual pre-tax income benefit compared to 2024, as cash remuneration from co-branded credit card and other partners approaches \$10 billion per year

¹ 2024 cash remuneration from co-branded credit card and other partners includes a one-time cash payment received related to the entry into our new co-branded credit card agreement announced in December 2024.
Source: Internal data

Sales and distribution progress

- Revenue share in indirect channels showed continued improvement in Q4.
- Remain on track to regain historical share of indirect revenue by year-end 2025 and expect sequential improvement of approximately 2 points in Q1 2025.

Indirect Channel Flown Revenue Performance¹



1. Indirect revenue channels contributed over \$14B in annual revenue in 2023. Q1 2025 based on current expectations.
Source: Internal data.

Q4 2024 Progress



Completed agreements with the agency partners representing corporate travelers and our most profitable leisure customers



Forward bookings in TMC and Business channels showed the strongest relative improvement throughout the fourth quarter

First-quarter and full-year outlook

	Q1 2025E	FY 2025E
Total capacity (ASMs) (vs. 2024)	~ Flat to - 2%	Up low single digits
Total revenue (vs. 2024)	~ +3% to +5%	~ +4.5% to +7.5%
CASM-ex ¹ (vs. 2024)	Up high single digits	Up mid-single digits
Adjusted operating margin ¹	~ Flat to 1%	
Adjusted earnings (loss) per diluted share ¹	~ (\$0.20) to (\$0.40)	~ \$1.70 to \$2.70

¹ CASM-ex is cost per available seat mile (CASM) excluding fuel and net special items and is a non-GAAP measure. All adjusted operating margin and adjusted earnings (loss) per diluted share guidance excludes the impact of net special items and are non-GAAP measures. The Company is unable to reconcile certain forward-looking information to GAAP as the nature or amount of net special items cannot be determined at this time.



Thank you, #AATeam!

GAAP to non-GAAP reconciliation

Reconciliation of GAAP Financial Information to Non-GAAP Financial Information

American Airlines Group Inc. (the Company) sometimes uses financial measures that are derived from the condensed consolidated financial statements 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 reconciliations of the following GAAP measures to their non-GAAP measures:

- Operating Income (GAAP measure) to Operating Income Excluding Net Special Items (non-GAAP measure)
- Operating Margin (GAAP measure) to Operating Margin Excluding Net Special Items (non-GAAP measure)
- Pre-Tax Income (GAAP measure) to Pre-Tax Income Excluding Net Special Items (non-GAAP measure)
- Pre-Tax Margin (GAAP measure) to Pre-Tax Margin Excluding Net Special Items (non-GAAP measure)
- Net Income (GAAP measure) to Net Income Excluding Net Special Items (non-GAAP measure)
- Basic and Diluted Earnings Per Share (GAAP measure) to Basic and Diluted Earnings Per Share Excluding Net Special Items (non-GAAP measure)

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.

Additionally, the tables below present the reconciliations of total operating costs (GAAP measure) to total operating costs excluding net special items and fuel (non-GAAP measure) and total operating costs per ASM (CASM) to CASM excluding net special items and fuel. Management uses total operating costs excluding net special items and fuel and CASM excluding net special items and fuel to evaluate the Company's current operating performance and for period-to-period comparisons. The price of fuel, over which the Company has no control, impacts the comparability of period-to-period financial performance. The adjustment to exclude fuel and net special items allows management an additional tool to understand and analyze the Company's non-fuel costs and core operating performance.

GAAP to non-GAAP reconciliation

Reconciliation of Operating Income Excluding Net Special Items	3 Months Ended December 31,		Percent Increase (Decrease)	12 Months Ended December 31,		Percent Increase (Decrease)
	2024	2023		2024	2023	
	(in millions)					
Operating income as reported	\$ 1,134	\$ 656		\$ 2,614	\$ 3,034	
Operating net special items:						
Mainline operating special items, net ⁽¹⁾	(14)	9		610	971	
Regional operating special items, net ⁽²⁾	33	-		33	8	
Operating income excluding net special items	\$ 1,153	\$ 665	73.3%	\$ 3,257	\$ 4,013	(18.6%)
Calculation of Operating Margin						
Operating income as reported	\$ 1,134	\$ 656		\$ 2,614	\$ 3,034	
Total operating revenues as reported	\$ 13,660	\$ 13,062		\$ 54,211	\$ 52,788	
Operating margin	8.3%	5.0%		4.8%	5.7%	
Calculation of Operating Margin Excluding Net Special Items						
Operating income excluding net special items	\$ 1,153	\$ 665		\$ 3,257	\$ 4,013	
Total operating revenues as reported	\$ 13,660	\$ 13,062		\$ 54,211	\$ 52,788	
Operating margin excluding net special items	8.4%	5.1%		6.0%	7.6%	
Reconciliation of Pre-Tax Income Excluding Net Special Items						
Pre-tax income as reported	\$ 795	\$ 32		\$ 1,154	\$ 1,121	
Pre-tax net special items:						
Mainline operating special items, net ⁽¹⁾	(14)	9		610	971	
Regional operating special items, net ⁽²⁾	33	-		33	8	
Nonoperating special items, net ⁽³⁾	(6)	216		24	362	
Total pre-tax net special items	13	225		667	1,341	
Pre-tax income excluding net special items	\$ 808	\$ 257	nm	\$ 1,821	\$ 2,462	(26.0%)
Calculation of Pre-Tax Margin						
Pre-tax income as reported	\$ 795	\$ 32		\$ 1,154	\$ 1,121	
Total operating revenues as reported	\$ 13,660	\$ 13,062		\$ 54,211	\$ 52,788	
Pre-tax margin	5.8%	0.2%		2.1%	2.1%	
Calculation of Pre-Tax Margin Excluding Net Special Items						
Pre-tax income excluding net special items	\$ 808	\$ 257		\$ 1,821	\$ 2,462	
Total operating revenues as reported	\$ 13,660	\$ 13,062		\$ 54,211	\$ 52,788	
Pre-tax margin excluding net special items	5.9%	2.0%		3.4%	4.7%	

GAAP to non-GAAP reconciliation

Reconciliation of Net Income Excluding Net Special Items	3 Months Ended December 31,		Percent Increase (Decrease)	12 Months Ended December 31,		Percent Increase (Decrease)
	2024	2023		2024	2023	
	(in millions, except share and per share amounts)			(in millions, except share and per share amounts)		
Net income as reported	\$ 590	\$ 19		\$ 846	\$ 822	
Net special items:						
Total pre-tax net special items ^{(1), (2)}	13	225		667	1,341	
Net tax effect of net special items	6	(52)		(151)	(304)	
Net income excluding net special items	\$ 609	\$ 192	nm	\$ 1,362	\$ 1,859	(26.7%)
Reconciliation of Basic and Diluted Earnings Per Share Excluding Net Special Items						
Net income excluding net special items	\$ 609	\$ 192		\$ 1,362	\$ 1,859	
Shares used for computation (in thousands):						
Basic	657,746	654,725		656,896	653,612	
Diluted	723,690	718,807		721,300	719,562	
Earnings per share excluding net special items:						
Basic	\$ 0.93	\$ 0.29		\$ 2.07	\$ 2.84	
Diluted ⁽⁴⁾	\$ 0.86	\$ 0.28		\$ 1.96	\$ 2.62	
Reconciliation of Total Operating Costs per ASM Excluding Net Special Items and Fuel						
Total operating expenses as reported	\$ 12,526	\$ 12,406		\$ 51,597	\$ 49,754	
Operating net special items:						
Mainline operating special items, net ⁽¹⁾	14	(9)		(610)	(971)	
Regional operating special items, net ⁽²⁾	(33)	-		(15)	(6)	
Total operating expenses excluding net special items	12,507	12,397		50,954	48,775	
Aircraft fuel and related taxes	(2,502)	(3,156)		(11,418)	(12,257)	
Total operating expenses excluding net special items and fuel	\$ 10,005	\$ 9,238		\$ 39,536	\$ 36,518	
	(in cents)			(in cents)		
Total operating expenses per ASM as reported	17.52	17.78		17.61	17.92	
Operating net special items per ASM:						
Mainline operating special items, net ⁽¹⁾	0.02	(0.01)		(0.21)	(0.35)	
Regional operating special items, net ⁽²⁾	(0.05)	-		(0.01)	-	
Total operating expenses per ASM excluding net special items	17.49	17.77		17.39	17.56	
Aircraft fuel and related taxes per ASM	(3.50)	(4.53)		(3.90)	(4.41)	
Total operating expenses per ASM excluding net special items and fuel	13.99	13.24		13.50	13.15	

Note: Amounts may not recalculate due to rounding.

⁽¹⁾ The 2024 twelve month period mainline operating special items, net included \$605 million of one-time charges resulting from the ratifications of new collective bargaining agreements with our mainline flight attendants and passenger service team members. 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 2024 three and twelve month period regional operating special items, net included a \$33 million non-cash write down of regional aircraft resulting from the decision to permanently park 43 Embraer 145 aircraft.

⁽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.

⁽⁴⁾ The 2024 three and twelve month period diluted earnings per share gives effect to, among other things, the Company's outstanding 6.5% senior convertible notes by (a) adding back to earnings \$15 million and \$51 million of interest expense, respectively, related to such convertible notes, net of estimated profit sharing and tax effects and (b) including in the diluted shares outstanding, 61.7 million shares issuable in respect to such convertible notes. The 2023 three and twelve month period diluted earnings per share gives effect to, among other things, the Company's outstanding 6.5% senior convertible notes by (a) adding back to earnings \$13 million and \$47 million of interest expense, respectively, related to such convertible notes, net of estimated profit sharing, short-term incentive and tax effects and (b) including in the diluted shares outstanding, 61.7 million shares issuable in respect to such convertible notes.

Free cash flow 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.

	Year Ended December 31, 2024 (in millions)
Net cash provided by operating activities	\$ 3,983
Adjusted net cash used in investing activities ⁽¹⁾	<u>(1,782)</u>
Free cash flow	<u>\$ 2,201</u>

⁽¹⁾ The following table provides a reconciliation of adjusted net cash used in investing activities for the year ended December 31, 2024 (in millions):

Net cash used in investing activities	\$ (968)
Adjustments:	
Net sale of short-term investments	(819)
Decrease in restricted cash	5
Adjusted net cash used in investing activities	<u>\$ (1,782)</u>

Adjusted EBITDAR margin reconciliation

The Company's adjusted EBITDAR and adjusted EBITDAR margin are presented below, which are non-GAAP measures that management uses to evaluate the Company's current operating performance. 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.

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	3 Months Ended December 31, 2024	
	(in millions)	
Operating income as reported	\$	1,134
Adjustments:		
Aircraft rent ⁽¹⁾		299
Depreciation and amortization ⁽¹⁾		584
EBITDAR		2,017
Operating special items, net ⁽¹⁾		19
Adjusted EBITDAR	\$	2,036
Calculation of Adjusted EBITDAR Margin		
Adjusted EBITDAR	\$	2,036
Total operating revenues as reported	\$	13,660
Adjusted EBITDAR Margin		14.9%

⁽¹⁾ Includes amounts associated with regional operations that are reflected in regional expenses in the condensed consolidated statements of operations (\$2 million, \$81 million and \$33 million of aircraft rent, depreciation and amortization and operating special items, net, respectively).

Net debt reconciliation

Net debt is a non-GAAP measure defined as debt, finance and operating lease liabilities and pension obligations, net of unrestricted cash and short-term investments. See below for the reconciliation of net debt.

Net Debt (at end of period)	December 31, 2024	
Debt and finance leases	\$	30,476
Operating lease liabilities		7,068
Pension obligations		1,095
Total debt		38,639
Less: cash and short-term investments		6,984
Net debt	\$	31,655





Investor Relations Update
January 23, 2025

General Overview

- **Capacity** - The Company expects its first-quarter capacity to be approximately flat to down 2.0% versus the first quarter of 2024. The Company expects its full-year capacity to be up approximately low single digits year over year.
- **Total Revenue** - First-quarter total revenue is expected to be up approximately 3.0% to 5.0% versus the first quarter of 2024. Full-year total revenue is expected to be up approximately 4.5% to 7.5% versus 2024.
- **CASM-ex¹** - The Company expects its first-quarter CASM-ex to be up approximately high single digits, driven by the reduction in year over year capacity, the mix of that capacity with regional capacity growing approximately 17% and mainline capacity down 2% to 3%, and the new collective bargaining agreements that were reached in the second half of 2024. The Company currently expects CASM-ex to improve sequentially, exiting the year up low single digits year over year. Full-year CASM-ex is expected to be up approximately mid-single digits year over year, primarily driven by the year over year increase in salaries and benefits.
- **Adjusted operating margin¹** - Based on current assumptions, the Company expects its first-quarter adjusted operating margin to be approximately flat to 1.0%.
- **Adjusted nonoperating expense¹** - The Company expects its full-year total adjusted nonoperating expense to be approximately \$1.35 billion, approximately \$90 million lower versus 2024. This forecasted decrease in full-year total adjusted nonoperating expense is primarily driven by a reduction in interest expense due to lower debt balances and lower average cost of debt.
- **Taxes** - The Company expects a provision for income taxes at an estimated effective tax rate of approximately 25% for the first quarter and full year, which is expected to be substantially non-cash.
- **Adjusted EPS¹** - Based on the assumptions outlined above, the Company expects its first-quarter adjusted loss per diluted share to be between (\$0.20) and (\$0.40) based on an expected share count of 658.8 million shares. Based on current assumptions, the Company expects its full-year adjusted earnings per diluted share to be between \$1.70 and \$2.70 using a share count of 726.8 million shares.
- **Free cash flow²** - Based on current assumptions, the Company expects to generate full-year free cash flow of over \$2 billion.

Notes:

1. *CASM-ex is cost per available seat mile (CASM) excluding fuel and net special items and is a non-GAAP measure. All adjusted operating margin, adjusted nonoperating expense and adjusted earnings per diluted share guidance excludes the impact of net special items and are non-GAAP measures. The Company is unable to reconcile certain forward-looking information to GAAP as the nature or amount of net special items cannot be determined at this time.*
2. *Free cash flow is a non-GAAP measure. The Company defines free cash flow as net cash provided by operating activities less net cash used in investing activities, adjusted for (1) net purchases of short-term investments and (2) change in restricted cash.*

Please refer to the footnotes and the forward-looking statements page of this document for additional information.

Financial Update January 23, 2025

	Q1 2025 ¹			
Available seat miles (ASMs)				~ Flat to -2.0% (vs. Q1 24)
Total revenue				~ +3.0% to +5.0% (vs. Q1 24)
CASM excluding fuel and net special items				~ Up high single digits (vs. Q1 24)
Adjusted operating margin				~ Flat to 1.0%
Adjusted loss per diluted share (\$/share)				~ (\$0.20) to (\$0.40)
	Q1 2025 Shares Forecast			
	Shares (mil) ²			
Earnings level (\$ mil)	Basic	Diluted	Addback (\$ mil) ³	
Earnings above \$147	658.8	728.0		\$14
Earnings up to \$147	658.8	666.2		—
Net loss	658.8	658.8		—

	FY 2025 ¹			
Available seat miles (ASMs)				~ Up low single digits (vs. 2024)
Total revenue				~ +4.5% to +7.5% (vs. 2024)
CASM excluding fuel and net special items				~ Up mid-single digits (vs. 2024)
Adjusted earnings per diluted share (\$/share)				~ \$1.70 to \$2.70
	FY 2025 Shares Forecast			
	Shares (mil) ²			
Earnings level (\$ mil)	Basic	Diluted	Addback (\$ mil) ³	
Earnings above \$527	690.8	726.8		\$23
Earnings up to \$527	690.8	695.9		—
Net loss	690.8	690.8		—

Notes:

1. Includes guidance on certain non-GAAP measures, which exclude, among other things, net special items. The Company is unable to reconcile certain forward-looking information to GAAP as the nature or amount of net special items cannot be determined at this time. Numbers may not recalculate due to rounding.
2. Shares outstanding are based upon several estimates and assumptions, including average per share stock price and stock award activity. The number of shares in actual calculations of earnings per share will likely be different from those set forth above.
3. Interest addback for earnings per diluted share calculation for 6.5% convertible notes, net of estimated profit sharing and tax effects.

Please refer to the footnotes and the forward-looking statements page of this document for additional information.

Forward-Looking Statements
January 23, 2025

Cautionary Statement Regarding Forward-Looking Statements

Certain of the statements contained in this report should be considered forward-looking statements within the meaning of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as "may," "will," "expect," "intend," "anticipate," "believe," "estimate," "plan," "project," "could," "should," "would," "continue," "seek," "target," "guidance," "outlook," "if current trends continue," "optimistic," "forecast" and other similar words. Such statements include, but are not limited to, statements about the Company's plans, objectives, expectations, intentions, estimates and strategies for the future, and other statements that are not historical facts. These forward-looking statements are based on the Company's current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth herein as well as in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (especially in Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and Part II, Item 1A. Risk Factors), and other risks and uncertainties listed from time to time in the Company's other filings with the Securities and Exchange Commission. Additionally, there may be other factors of which the Company is not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. The Company does not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statement.

Please refer to the footnotes and the forward-looking statements page of this document for additional information.