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): September 13, 2023

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)

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

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
Common Stock, $0.01 par value per share
Preferred Stock Purchase Rights

Trading Symbol(s)
AAL
—

Name of each exchange on which registered
The Nasdaq Global Select Market

(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. ☐
American Airlines Group Inc. (the “Company”) is providing an update regarding its financial and operational guidance for the third quarter of 2023. Fuel prices have increased considerably since the Company’s initial third-quarter guidance issued on July 20, 2023. The Company now expects to pay an average of between $2.90 and $3.00 per gallon of jet fuel\(^1\) in the third quarter. As a result of its continued strong operating performance, the Company now expects its third-quarter capacity to be at the high end of its initial guidance, or up approximately 6% to 7% versus the same period in 2022. Total revenue for the third quarter is expected to be approximately flat to prior expectations, with the mid-point of year-over-year TRASM\(^2\) approximately 0.5 points lower compared to previous guidance. Third-quarter CASM-ex\(^3\) is now expected to be at the better end of the Company’s previous guidance range provided on August 22, 2023.

Based on these updated assumptions, the Company expects its third-quarter adjusted operating margin\(^4\) to be approximately 4.0% to 5.0% and adjusted earnings per diluted share\(^5\) to be between approximately $0.20 and $0.30. As previously disclosed, the ratification of a new collective bargaining agreement by the mainline pilots represented by the Allied Pilots Association resulted in retroactive pay expense of approximately $230 million to be recognized in the third quarter. This retroactive pay expense is expected to impact third-quarter adjusted operating margin by approximately 1.7 points and adjusted earnings per diluted share by $0.23. The remainder of the adjustment to the Company’s updated outlook is driven by higher fuel prices in the quarter.

<table>
<thead>
<tr>
<th>Estimated 3Q 2023</th>
<th>Current Guidance</th>
<th>Previous Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available seat miles (vs. 3Q 2022)</td>
<td>~ +6.0% to +7.0%</td>
<td>~ +5.0% to +7.0%</td>
</tr>
<tr>
<td>TRASM (vs. 3Q 2022)</td>
<td>~ -5.5% to -6.5%</td>
<td>~ -4.5% to -6.5%</td>
</tr>
<tr>
<td>Average fuel price(^1) (incl. taxes) ($/gallon)</td>
<td>~ $2.90 to $3.00</td>
<td>~ $2.55 to $2.65</td>
</tr>
<tr>
<td>CASM-ex(^3) (vs. 3Q 2022)</td>
<td>~ +4.0% to +5.0%</td>
<td>~ +4.0% to +6.0%</td>
</tr>
<tr>
<td>Adjusted operating margin(^4)</td>
<td>~ 4.0% to 5.0%</td>
<td>~ 8.0% to 10.0%</td>
</tr>
<tr>
<td>Adjusted earnings per diluted share(^5) ($/share)</td>
<td>~ $0.20 to $0.30</td>
<td>~ $0.85 to $0.95</td>
</tr>
</tbody>
</table>

1. Based on the forward fuel curve as of September 11, 2023. Consumption of ~1,100 million gallons assumed in 3Q 2023.
2. Total revenue per available seat mile.
3. CASM-ex is cost per available seat mile (CASM) excluding fuel and net special items and is a non-GAAP measure.
4. Adjusted operating margin excludes net special items and is a non-GAAP measure.
5. Adjusted earnings per diluted share excludes net special items and is a non-GAAP measure. Adjusted earnings per diluted share incorporates an interest expense addback for the 6.5% convertible notes of $12 million for 3Q 2023, net of estimated profit sharing, short-term incentive and tax effects. Adjusted earnings per diluted share calculation assumes a tax rate of 29% and a diluted share count of 722.9 million for 3Q 2023. 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 differ from those set forth above.

The Company does not intend to provide a further update to its financial and operational guidance until the release of its third-quarter 2023 results.

Certain components of the guidance provided exclude fuel and net special items. The updated guidance provided herein is presented to provide comparability with prior guidance. The Company is unable to fully reconcile this forward-looking guidance to the corresponding GAAP measures because the full nature and amount of net special items cannot be determined at this time.

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

The Company sometimes uses financial measures that are derived from the condensed consolidated financial statements or otherwise provided in the form of guidance but that are not presented in accordance with GAAP to understand and evaluate its current operating performance and to allow for period-to-period comparisons. The Company believes these non-GAAP financial measures may also provide useful information to investors and others. These non-GAAP measures may not be comparable to similarly titled non-GAAP measures of other companies, and should be considered in addition to, and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with GAAP. 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, management uses CASM excluding net special items and fuel, adjusted operating margin and adjusted earnings per diluted share, among others, 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. The Company does not provide a reconciliation of forward-looking measures where the Company is unable to reasonably predict certain items contained in the GAAP measures without unreasonable efforts. This is due to the inherent difficulty of forecasting the timing or amount of various items that have not yet occurred and are out of the Company's control or cannot be reasonably predicted. For the same reasons, the Company is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

Cautionary Statement Regarding Forward-Looking Statements

This document includes forward-looking statements within the meaning of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as "may," "will," "expect," "intend," "anticipate," "believe," "estimate," "plan," "project," "could," "should," "would," "continue," "seek," "target," "guidance," "outlook," "if current trends continue," "optimistic," "forecast" and other similar words. Such statements include, but are not limited to, statements about the Company's plans, objectives, expectations, intentions, estimates and strategies for the future, and other statements that are not historical facts. These forward-looking statements are based on the Company's current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth herein as well as in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (especially in Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and Part II, Item 1A. Risk Factors), and other risks and uncertainties listed from time to time in the Company's other filings with the Securities and Exchange Commission. Additionally, there may be other factors of which the Company is not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. The Company does not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statement.
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: September 13, 2023

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: September 13, 2023

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