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

	3 Months Ended June 30, 2026	3 Months Ended June 30, 2025	Percent Increase (Decrease)	6 Months Ended June 30, 2026	6 Months Ended June 30, 2025	Percent Increase (Decrease)
Operating revenues:						
Passenger	$ 15,214	$ 13,123	15.9	$ 27,709	$ 24,514	13.0
Cargo	273	211	29.7	487	400	21.7
Other	1,248	1,058	17.9	2,451	2,029	20.8
Total operating revenues	16,735	14,392	16.3	30,647	26,943	13.7
Operating expenses:						
Aircraft fuel and related taxes	4,881	2,663	83.3	7,809	5,250	48.7
Salaries, wages and benefits	4,639	4,382	5.9	9,314	8,604	8.2
Regional expenses:						
Regional operating expenses	1,344	1,250	7.5	2,656	2,523	5.3
Regional depreciation and amortization	91	81	13.1	183	160	14.3
Maintenance, materials and repairs	1,027	927	10.8	2,008	1,848	8.7
Other rent and landing fees	976	894	9.2	1,867	1,720	8.5
Aircraft rent	308	303	1.8	617	600	2.9
Selling expenses	603	535	12.7	1,110	985	12.7
Depreciation and amortization	478	476	0.4	953	944	1.0
Special items, net	7	47	(85.1)	21	118	(82.4)
Other	1,935	1,699	13.8	3,704	3,327	11.3
Total operating expenses	16,289	13,257	22.9	30,242	26,079	16.0
Operating income	446	1,135	(60.7)	405	864	(53.1)
Nonoperating income (expense):						
Interest income	74	100	(25.8)	130	194	(33.3)
Interest expense, net	(409)	(433)	(5.5)	(807)	(861)	(6.4)
Other income (expense), net	(4)	36	nm [1]	(97)	(8)	nm
Total nonoperating expense, net	(339)	(297)	14.2	(774)	(675)	14.7
Income (loss) before income taxes	107	838	(87.2)	(369)	189	nm
Income tax provision (benefit)	36	239	(84.9)	(58)	63	nm
Net income (loss)	$ 71	$ 599	(88.2)	$ (311)	$ 126	nm
Earnings (loss) per common share:						
Basic	$ 0.11	$ 0.91		$ (0.47)	$ 0.19	
Diluted	$ 0.11	$ 0.91		$ (0.47)	$ 0.19	
Weighted average shares outstanding (in thousands):						
Basic	662,190	660,127		661,685	659,504	
Diluted	662,613	660,367		661,685	660,523	

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 June 30, 2026	3 Months Ended June 30, 2025	Increase (Decrease)	6 Months Ended June 30, 2026	6 Months Ended June 30, 2025	Increase (Decrease)
Revenue passenger miles (millions)	68,118	65,762	3.6 %	126,669	122,118	3.7 %
Available seat miles (ASM) (millions)	81,843	77,636	5.4 %	153,852	147,539	4.3 %
Passenger load factor (percent)	83.2	84.7	(1.5) pts	82.3	82.8	(0.5) pts
Yield (cents)	22.33	19.96	11.9 %	21.88	20.07	9.0 %
Passenger revenue per ASM (cents)	18.59	16.90	10.0 %	18.01	16.62	8.4 %
Total revenue per ASM (cents)	20.45	18.54	10.3 %	19.92	18.26	9.1 %
Cargo ton miles (millions)	638	521	22.5 %	1,165	1,004	16.0 %
Cargo yield per ton mile (cents)	42.84	40.48	5.8 %	41.81	39.84	4.9 %
Fuel consumption (gallons in millions)	1,204	1,163	3.5 %	2,270	2,206	2.9 %
Average aircraft fuel price including related taxes (dollars per gallon)	4.05	2.29	77.1 %	3.44	2.38	44.5 %
Operating cost per ASM (cents)	19.90	17.08	16.5 %	19.66	17.68	11.2 %
Operating cost per ASM excluding net special items (cents)	19.89	17.02	16.9 %	19.64	17.60	11.6 %
Operating cost per ASM excluding net special items and fuel (cents)	13.93	13.59	2.5 %	14.57	14.04	3.8 %
Operating cost per ASM excluding net special items, fuel and profit sharing (cents)	13.93	13.53	2.9 %	14.57	14.01	4.0 %
Passenger enplanements (thousands)	59,101	58,711	0.7 %	110,871	109,746	1.0 %
Departures (thousands):						
Mainline	312	306	2.2 %	592	583	1.4 %
Regional	285	270	5.5 %	539	520	3.6 %
Total	597	576	3.7 %	1,131	1,103	2.5 %
Average stage length (miles):						
Mainline	1,214	1,185	2.4 %	1,207	1,181	2.2 %
Regional	471	460	2.5 %	474	465	2.1 %
Total	860	845	1.7 %	858	843	1.7 %
Aircraft at end of period:						
Mainline	1,030	992	3.8 %	1,030	992	3.8 %
Regional [2]	579	547	5.9 %	579	547	5.9 %
Total	1,609	1,539	4.5 %	1,609	1,539	4.5 %
Full-time equivalent employees at end of period:						
Mainline	109,700	106,100	3.4 %	109,700	106,100	3.4 %
Regional [3]	33,700	32,000	5.3 %	33,700	32,000	5.3 %
Total	143,400	138,100	3.8 %	143,400	138,100	3.8 %

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 four Bombardier CRJ900 regional aircraft that are held in temporary storage as of June 30, 2026.

[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 June 30, 2026	3 Months Ended June 30, 2025	Increase (Decrease)	6 Months Ended June 30, 2026	6 Months Ended June 30, 2025	Increase (Decrease)
Domestic [1]						
Revenue passenger miles (millions)	45,321	43,772	3.5 %	84,488	81,465	3.7 %
Available seat miles (ASM) (millions)	55,068	51,988	5.9 %	103,482	98,657	4.9 %
Passenger load factor (percent)	82.3	84.2	(1.9) pts	81.6	82.6	(1.0) pts
Passenger revenue (dollars in millions)	10,726	9,159	17.1 %	19,716	17,286	14.1 %
Yield (cents)	23.67	20.93	13.1 %	23.34	21.22	10.0 %
Passenger revenue per ASM (cents)	19.48	17.62	10.6 %	19.05	17.52	8.7 %
Latin America [2]						
Revenue passenger miles (millions)	8,617	8,358	3.1 %	18,906	18,380	2.9 %
Available seat miles (millions)	10,169	9,725	4.6 %	22,572	21,728	3.9 %
Passenger load factor (percent)	84.7	85.9	(1.2) pts	83.8	84.6	(0.8) pts
Passenger revenue (dollars in millions)	1,726	1,550	11.4 %	3,689	3,455	6.8 %
Yield (cents)	20.04	18.54	8.1 %	19.51	18.80	3.8 %
Passenger revenue per ASM (cents)	16.98	15.94	6.6 %	16.34	15.90	2.8 %
Atlantic						
Revenue passenger miles (millions)	11,844	11,432	3.6 %	18,057	17,366	4.0 %
Available seat miles (millions)	13,891	13,414	3.6 %	21,685	21,377	1.4 %
Passenger load factor (percent)	85.3	85.2	0.1 pts	83.3	81.2	2.1 pts
Passenger revenue (dollars in millions)	2,353	2,086	12.8 %	3,455	3,052	13.2 %
Yield (cents)	19.87	18.25	8.9 %	19.14	17.57	8.9 %
Passenger revenue per ASM (cents)	16.94	15.55	8.9 %	15.93	14.28	11.6 %
Pacific						
Revenue passenger miles (millions)	2,336	2,200	6.2 %	5,218	4,907	6.3 %
Available seat miles (millions)	2,715	2,509	8.2 %	6,113	5,777	5.8 %
Passenger load factor (percent)	86.0	87.7	(1.7) pts	85.4	84.9	0.5 pts
Passenger revenue (dollars in millions)	409	328	24.6 %	849	721	17.8 %
Yield (cents)	17.50	14.92	17.3 %	16.27	14.69	10.7 %
Passenger revenue per ASM (cents)	15.05	13.08	15.1 %	13.89	12.48	11.3 %
Total International						
Revenue passenger miles (millions)	22,797	21,990	3.7 %	42,181	40,653	3.8 %
Available seat miles (millions)	26,775	25,648	4.4 %	50,370	48,882	3.0 %
Passenger load factor (percent)	85.1	85.7	(0.6) pts	83.7	83.2	0.5 pts
Passenger revenue (dollars in millions)	4,488	3,964	13.2 %	7,993	7,228	10.6 %
Yield (cents)	19.69	18.03	9.2 %	18.95	17.78	6.6 %
Passenger revenue per ASM (cents)	16.76	15.46	8.5 %	15.87	14.79	7.3 %

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 (Loss) (GAAP measure) to Pre-Tax Income (Loss) 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 (Loss) (GAAP measure) to Net Income (Loss) Excluding Net Special Items (non-GAAP measure)
- Basic and Diluted Earnings (Loss) Per Share (GAAP measure) to Basic and Diluted Earnings (Loss) 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 provides management with 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, fuel and profit sharing (non-GAAP measure) and total operating costs per ASM (CASM) to CASM excluding net special items, fuel and profit sharing. Management uses total operating costs excluding net special items, fuel and profit sharing and 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. The price of fuel, over which the Company has no control, impacts the comparability of period-to-period financial performance. Additionally, the Company excludes profit sharing to allow investors to better understand and analyze its operating cost performance and to provide a more meaningful comparison of its core operating costs to the airline industry. The adjustment to exclude net special items, fuel and profit sharing provides management with an additional tool to understand and analyze the Company's non-fuel costs and core operating performance.

	3 Months Ended June 30,		Percent	6 Months Ended June 30,		Percent
Reconciliation of Operating Income Excluding Net Special Items	2026	2025	Decrease	2026	2025	Decrease
	(in millions)			(in millions)		
Operating income as reported	$ 446	$ 1,135		$ 405	$ 864	
Operating net special items:						
Mainline operating special items, net [1]	7	47		21	118	
Operating income excluding net special items	$ 453	$ 1,182	(61.7%)	$ 426	$ 982	(56.6%)
Calculation of Operating Margin						
Operating income as reported	$ 446	$ 1,135		$ 405	$ 864	
Total operating revenues as reported	$ 16,735	$ 14,392		$ 30,647	$ 26,943	
Operating margin	2.7%	7.9%		1.3%	3.2%	
Calculation of Operating Margin Excluding Net Special Items						
Operating income excluding net special items	$ 453	$ 1,182		$ 426	$ 982	
Total operating revenues as reported	$ 16,735	$ 14,392		$ 30,647	$ 26,943	
Operating margin excluding net special items	2.7%	8.2%		1.4%	3.6%	
Reconciliation of Pre-Tax Income (Loss) Excluding Net Special Items						
Pre-tax income (loss) as reported	$ 107	$ 838		$ (369)	$ 189	
Pre-tax net special items:						
Mainline operating special items, net [1]	7	47		21	118	
Nonoperating special items, net [2]	30	(16)		164	32	
Total pre-tax net special items	37	31		185	150	
Pre-tax income (loss) excluding net special items	$ 144	$ 869	(83.5%)	$ (184)	$ 339	nm
Calculation of Pre-Tax Margin						
Pre-tax income (loss) as reported	$ 107	$ 838		$ (369)	$ 189	
Total operating revenues as reported	$ 16,735	$ 14,392		$ 30,647	$ 26,943	
Pre-tax margin	0.6%	5.8%		(1.2%)	0.7%	
Calculation of Pre-Tax Margin Excluding Net Special Items						
Pre-tax income (loss) excluding net special items	$ 144	$ 869		$ (184)	$ 339	
Total operating revenues as reported	$ 16,735	$ 14,392		$ 30,647	$ 26,943	
Pre-tax margin excluding net special items	0.9%	6.0%		(0.6%)	1.3%	

Reconciliation of GAAP Financial Information to Non-GAAP Financial Information

	3 Months Ended June 30,		Percent	6 Months Ended June 30,		Percent
Reconciliation of Net Income (Loss) Excluding Net Special Items	2026	2025	Decrease	2026	2025	Decrease
	(in millions, except share and per share amounts)			(in millions, except share and per share amounts)		
Net income (loss) as reported	$ 71	$ 599		$ (311)	$ 126	
Net special items:						
Total pre-tax net special items (1), (2)	37	31		185	150	
Net tax effect of net special items	(9)	(2)		(42)	(34)	
Net income (loss) excluding net special items	$ 99	$ 628	(84.2%)	$ (168)	$ 242	nm
Reconciliation of Basic and Diluted Earnings (Loss) Per Share Excluding Net Special Items						
Net income (loss) excluding net special items	$ 99	$ 628		$ (168)	$ 242	
Shares used for computation (in thousands):						
Basic	662,190	660,127		661,685	659,504	
Diluted	662,613	660,367		661,685	660,523	
Earnings (loss) per share excluding net special items:						
Basic	$ 0.15	$ 0.95		$ (0.25)	$ 0.37	
Diluted	$ 0.15	$ 0.95		$ (0.25)	$ 0.37	
Reconciliation of Total Operating Costs per ASM Excluding Net Special Items, Fuel and Profit Sharing						
Total operating expenses as reported	$ 16,289	$ 13,257		$ 30,242	$ 26,079	
Operating net special items:						
Mainline operating special items, net (1)	(7)	(47)		(21)	(118)	
Total operating expenses excluding net special items	16,282	13,210		30,221	25,961	
Aircraft fuel and related taxes	(4,881)	(2,663)		(7,809)	(5,250)	
Total operating expenses excluding net special items and fuel	11,401	10,547		22,412	20,711	
Profit sharing	-	(41)		-	(41)	
Total operating expenses excluding net special items, fuel and profit sharing	$ 11,401	$ 10,506		$ 22,412	$ 20,670	
	(in cents)			(in cents)		
Total operating expenses per ASM as reported	19.90	17.08		19.66	17.68	
Operating net special items per ASM:						
Mainline operating special items, net (1)	(0.01)	(0.06)		(0.01)	(0.08)	
Total operating expenses per ASM excluding net special items	19.89	17.02		19.64	17.60	
Aircraft fuel and related taxes per ASM	(5.96)	(3.43)		(5.08)	(3.56)	
Total operating expenses per ASM excluding net special items and fuel	13.93	13.59		14.57	14.04	
Profit sharing per ASM	-	(0.05)		-	(0.03)	
Total operating expenses per ASM excluding net special items, fuel and profit sharing	13.93	13.53		14.57	14.01	

Note: Amounts may not recalculate due to rounding.

FOOTNOTES:

(1) The 2025 second quarter mainline operating special items, net principally included adjustments to litigation reserves. The 2025 six month period mainline operating special items, net principally included a one-time charge resulting from adjustments to vacation accruals due to pay rate increases effective January 1, 2025, following the ratification of the contract extension in the fourth quarter of 2024 with the Company's mainline maintenance and fleet service team members and an adjustment to litigation reserves.

(2) Principally included mark-to-market net unrealized gains and losses associated with certain equity investments as well as charges associated with debt refinancings and extinguishments.

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

	6 Months Ended June 30, 2026	6 Months Ended June 30, 2025
Net cash provided by operating activities	$ 4,694	$ 3,419
Cash flows from investing activities:		
Capital expenditures and aircraft purchase deposits	(1,633)	(1,323)
Proceeds from sale-leaseback transactions and sale of property and equipment	60	200
Purchases of short-term investments	(3,697)	(4,680)
Sales of short-term investments	1,840	3,119
Decrease (increase) in restricted short-term investments	40	(73)
Other investing activities	(49)	279
Net cash used in investing activities	(3,439)	(2,478)
Cash flows from financing activities:		
Payments on long-term debt and finance leases	(4,651)	(2,365)
Proceeds from issuance of long-term debt	4,518	1,659
Net payments on fuel financing	(914)	(74)
Other financing activities	(118)	(132)
Net cash used in financing activities	(1,165)	(912)
Net increase in cash and restricted cash	90	29
Cash and restricted cash at beginning of period	1,056	902
Cash and restricted cash at end of period [1]	$ 1,146	$ 931

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

	2026	2025
Cash	$ 1,028	$ 833
Restricted cash included in restricted cash and short-term investments	118	98
Total cash and restricted cash	$ 1,146	$ 931

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 purchases or 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.

	6 Months Ended June 30, 2026 (in millions)
Net cash provided by operating activities	$ 4,694
Adjusted net cash used in investing activities [(1)]	(1,598)
Free cash flow	$ 3,096

[(1)] The following table provides a reconciliation of adjusted net cash used in investing activities for the six months ended June 30, 2026 (in millions):

Net cash used in investing activities	$ (3,439)
Adjustments:	
Net purchases of short-term investments	1,857
Increase in restricted cash	(16)
Adjusted net cash used in investing activities	$ (1,598)

Adjusted EBITDAR and Adjusted EBITDAR Margin

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 June 30, 2026	6 Months Ended June 30, 2026
	(in millions)	
Operating income as reported	$ 446	$ 405
Adjustments:		
Aircraft rent [1]	310	621
Depreciation and amortization [1]	569	1,136
EBITDAR	1,325	2,162
Operating special items, net	7	21
Adjusted EBITDAR	$ 1,332	$ 2,183
Calculation of EBITDAR Margin		
EBITDAR	$ 1,325	$ 2,162
Total operating revenues as reported	$ 16,735	$ 30,647
EBITDAR margin	7.9%	7.1%
Calculation of Adjusted EBITDAR Margin		
Adjusted EBITDAR	$ 1,332	$ 2,183
Total operating revenues as reported	$ 16,735	$ 30,647
Adjusted EBITDAR margin	8.0%	7.1%

(1) Includes amounts associated with regional operations that are reflected in regional expenses in the condensed consolidated statements of operations.

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

	June 30, 2026 (unaudited)	December 31, 2025
Assets		
Current assets		
Cash	$ 1,028	$ 954
Short-term investments	6,742	4,882
Restricted cash and short-term investments	709	735
Accounts receivable, net	1,893	2,075
Aircraft fuel, spare parts and supplies, net	3,107	2,792
Prepaid expenses and other	797	767
Total current assets	14,276	12,205
Operating property and equipment		
Flight equipment	47,908	46,597
Ground property and equipment	10,701	10,479
Equipment purchase deposits	571	656
Total property and equipment, at cost	59,180	57,732
Less accumulated depreciation and amortization	(26,098)	(25,192)
Total property and equipment, net	33,082	32,540
Operating lease right-of-use assets	6,919	7,091
Other assets		
Goodwill	4,091	4,091
Intangibles, net	2,069	2,066
Deferred tax asset	2,417	2,368
Other assets	1,379	1,413
Total other assets	9,956	9,938
Total assets	$ 64,233	$ 61,774
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities		
Current maturities of long-term debt and finance leases	$ 3,094	$ 3,753
Accounts payable	3,637	2,840
Accrued salaries and wages	2,012	2,128
Air traffic liability	9,551	7,158
Loyalty program liability	4,353	3,725
Operating lease liabilities	1,052	1,058
Fuel financing	-	914
Other accrued liabilities	3,057	2,916
Total current liabilities	26,756	24,492
Noncurrent liabilities		
Long-term debt and finance leases, net of current maturities	25,833	25,254
Pension and postretirement benefits	1,160	1,568
Loyalty program liability	7,220	6,839
Operating lease liabilities	5,750	5,905
Other liabilities	1,486	1,443
Total noncurrent liabilities	41,449	41,009
Stockholders' equity (deficit)		
Common stock, 661,936,666 shares outstanding at June 30, 2026	7	7
Additional paid-in capital	7,421	7,387
Accumulated other comprehensive loss	(4,357)	(4,389)
Retained deficit	(7,043)	(6,732)
Total stockholders' deficit	(3,972)	(3,727)
Total liabilities and stockholders' equity (deficit)	$ 64,233	$ 61,774

Total Debt and Net Debt

The Company's total debt and net debt are presented below, which are non-GAAP measures that management believes are useful for assessing the Company's debt profile. Total debt is defined as debt, finance and operating lease liabilities and pension obligations, and net debt is defined as total debt, net of unrestricted cash and short-term investments.

Total Debt and Net Debt (at end of period)	June 30, 2026
	(in millions)
Debt and finance leases	$ 28,927
Operating lease liabilities	6,802
Pension obligations	146
Total debt	35,875
Less: cash and short-term investments	7,770
Net debt	$ 28,105

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 total operating costs (GAAP measure) to total operating costs excluding net special items, fuel and profit sharing (non-GAAP measure) and total operating costs per ASM (CASM) to CASM excluding net special items, fuel and profit sharing. Management uses total operating costs excluding net special items, fuel and profit sharing and 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. The price of fuel, over which the Company has no control, impacts the comparability of period-to-period financial performance. Additionally, the Company excludes profit sharing to allow investors to better understand and analyze its operating cost performance and to provide a more meaningful comparison of its core operating costs to the airline industry. The adjustment to exclude net special items, fuel and profit sharing provides management with an additional tool to understand and analyze the Company's non-fuel costs and core operating performance.

Reconciliation of Total Operating Cost per ASM Excluding Net Special Items, Fuel and Profit Sharing	3 Months Ended June 30, 2025	September 30, 2025	December 31, 2025
		(in millions)	
Total operating expenses as reported	$ 13,257	$ 13,540	$ 13,548
Operating net special items:			
Mainline operating special items, net [1]	(47)	(7)	(35)
Regional operating special items, net	-	-	(3)
Total operating expenses excluding net special items	13,210	13,533	13,510
Aircraft fuel and related taxes	(2,663)	(2,767)	(2,701)
Total operating expenses excluding net special items and fuel	10,547	10,766	10,809
Profit sharing	(41)	8	(22)
Total operating expenses excluding net special items, fuel and profit sharing	$ 10,506	$ 10,774	$ 10,787
		(in cents)	
Total operating expenses per ASM as reported	17.08	17.49	18.19
Operating net special items per ASM:			
Mainline operating special items, net [1]	(0.06)	(0.01)	(0.05)
Regional operating special items, net	-	-	-
Total operating expenses per ASM excluding net special items	17.02	17.48	18.14
Aircraft fuel and related taxes per ASM	(3.43)	(3.58)	(3.63)
Total operating expenses per ASM excluding net special items and fuel	13.59	13.91	14.51
Profit sharing per ASM	(0.05)	0.01	(0.03)
Total operating expenses per ASM excluding net special items, fuel and profit sharing	13.53	13.92	14.48

Note: Amounts may not recalculate due to rounding.

FOOTNOTES:

[1] For the three months ended June 30, 2025, mainline operating special items, net principally included adjustments to litigation reserves. For the three months ended December 31, 2025, mainline operating special items, net principally included severance-related expenses.