

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): July 25, 2024

AMERICAN AIRLINES GROUP INC.
AMERICAN AIRLINES, INC.

(Exact name of registrant as specified in its charter)

Delaware
Delaware

(State or other Jurisdiction of Incorporation)

1-8400
1-2691

(Commission File Number)

75-1825172
13-1502798

(IRS Employer Identification No.)

1 Skyview Drive, Fort Worth, Texas
1 Skyview Drive, Fort Worth, Texas

(Address of principal executive offices)

76155
76155

(Zip Code)

Registrant's telephone number, including area code:

(682) 278-9000
(682) 278-9000

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

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

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

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

(1) Attached to the Common Stock

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

Emerging growth company

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

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On July 25, 2024, American Airlines Group Inc. (the Company, we, us and our) issued a press release reporting financial results for the three and six months ended June 30, 2024. The press release is furnished as Exhibit 99.1 to this report.

ITEM 7.01. REGULATION FD DISCLOSURE.

On July 25, 2024, 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 July 25, 2024, the Company provided an update for investors presenting information relating to its financial and operational outlook for the third quarter and full year 2024. 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 July 25, 2024.
99.2	Investor Presentation, dated July 25, 2024.
99.3	Investor Update, dated July 25, 2024.
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: July 25, 2024

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

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

AMERICAN AIRLINES, INC.

Date: July 25, 2024

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, July 25, 2024

AMERICAN AIRLINES REPORTS SECOND-QUARTER 2024 FINANCIAL RESULTS

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

- **Highest-ever quarterly revenue of \$14.3 billion.**
- **Second-quarter net income of \$717 million, or \$1.01 per diluted share. Excluding net special items¹, second-quarter net income of \$774 million, or \$1.09 per diluted share.**
- **Generated operating cash flow of approximately \$1.1 billion and free cash flow² of approximately \$850 million in the second quarter.**
- **Reduced total debt³ by approximately \$680 million in the second quarter.**
- **On track to reduce total debt³ from peak levels by \$15 billion by year-end 2025.**
- **Full-year adjusted earnings per diluted share⁴ expected to be between \$0.70 and \$1.30.**

“American has a fleet, network and product built to deliver results, but during the second quarter, we did not perform to our initial expectations due to our prior sales and distribution strategy and an imbalance of domestic supply and demand,” said American’s CEO Robert Isom. “We are taking this challenge head-on, with clear and decisive actions to deliver on a strategy that maximizes our revenue and profitability, and importantly, one that makes it easy for customers to do business with American. When we return to the level of revenue generation we know we can achieve, and we couple that with our operational reliability and best-in-class cost management, we will unlock significant value.”

Sales and distribution

American has taken swift and aggressive action to reorient its sales and distribution strategy in ways that continue to be customer-centric, while addressing feedback from corporate and agency partners. Since May, the airline has focused its near-term efforts in three areas:

Ensuring content availability

- **Restored content.** American has reinstated competitive fares in the distribution channel traditionally used by travel agencies and corporate managed travel programs.
- **Removed plans to differentiate mileage earn by channel.** Travelers continue to earn in the AAdvantage[®] program as usual, no matter where they book.

Making it easy, attractive and rewarding to do business with American

- **Expanded availability of AAdvantage Business™ benefits to agencies.** Companies will earn AAdvantage® miles and travelers will earn Loyalty Points anywhere business travel is booked, including when booked through travel agencies.
- **Announced new features coming to AAdvantage Business™.** Improvements will enhance the travel management and end-traveler experience.

Strengthening relationships and regaining the trust of partners

- **Listening to feedback.** The company has conducted extensive outreach to customers to inform them of changes being made to address pain points.
- **Updating agreements.** American is renegotiating contracts with corporate customers and travel agencies.
- **Improving support.** The airline is adding account managers for corporate customers, has established a dedicated AAdvantage Business™ customer service team and is increasing sales support for agencies.

Operational performance

The American Airlines team continues to produce strong operational results and demonstrate its resilience in recovering from irregular operations, as evidenced by its second-quarter performance, despite significant storms that impacted several key hubs in May and June. The airline also delivered a fantastic operation over the Fourth of July holiday, carrying 7.2 million customers and operating its largest-ever schedule while producing its best-ever combined completion factor over the holiday period. American quickly rebounded from the technology outage that impacted businesses worldwide on July 19. By that evening, its operation had fully recovered, and the airline delivered a 98.9% completion factor the next day — the best operational performance among U.S. network carriers.

Financial performance

American produced record quarterly revenue of \$14.3 billion in the second quarter, an increase of 2% year over year. On both a GAAP basis and excluding the impact of net special items¹, the company produced an operating margin of 9.7% in the quarter.

Balance sheet and liquidity

American remains committed to strengthening its balance sheet. In the second quarter, the company reduced total debt³ by approximately \$680 million and is now more than \$13 billion, or approximately 87%, toward its goal of reducing total debt³ by \$15 billion by the end of 2025. The company ended the quarter with approximately \$11.7 billion of total available liquidity, comprised of cash and short-term investments plus undrawn capacity under revolving credit facilities.

Guidance and investor update

American has taken aggressive action to improve its revenue performance, however, the company's previous sales and distribution strategy will continue to impact its revenue performance and earnings through the remainder of the year. Accounting for these impacts and based on present demand trends, the current fuel price forecast and excluding the impact of special items, the company expects its third-quarter 2024 adjusted earnings per diluted share⁴ to be approximately breakeven. The company now expects its full-year 2024 adjusted earnings per diluted share⁴ to be between \$0.70 and \$1.30.

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](https://www.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](https://www.aa.com/investorrelations). An archive of the webcast will be available through Aug. 25.

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 \$57 million of net special items in the second quarter after the effect of taxes, which principally included nonoperating net special items for charges associated with debt refinancings and mark-to-market net unrealized losses on certain equity investments.
2. Please see the accompanying notes for the company's definition of free cash flow, which is 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

To Care for People on Life's Journey[®]. Shares of American Airlines Group Inc. trade on Nasdaq under the ticker symbol AAL and the company's stock is included in the S&P 500. Learn more about what's happening at American by visiting news.aa.com and connect with American [@AmericanAir](https://www.instagram.com/AmericanAir) and at [Facebook.com/AmericanAirlines](https://www.facebook.com/AmericanAirlines).

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 June 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 June 30,		Percent Increase (Decrease)	6 Months Ended June 30,		Percent Increase (Decrease)
	2024	2023		2024	2023	
Operating revenues:						
Passenger	\$ 13,202	\$ 12,978	1.7	\$ 24,661	\$ 24,081	2.4
Cargo	195	197	(1.3)	382	420	(9.1)
Other	937	880	6.4	1,861	1,743	6.8
Total operating revenues	14,334	14,055	2.0	26,904	26,244	2.5
Operating expenses:						
Aircraft fuel and related taxes	3,061	2,723	12.4	6,042	5,890	2.6
Salaries, wages and benefits	3,953	3,635	8.7	7,820	6,917	13.1
Regional expenses:						
Regional operating expenses	1,189	1,073	10.7	2,311	2,135	8.2
Regional depreciation and amortization	79	80	(0.1)	158	160	(0.7)
Maintenance, materials and repairs	950	808	17.6	1,834	1,520	20.7
Other rent and landing fees	834	762	9.5	1,653	1,470	12.5
Aircraft rent	314	344	(8.6)	642	688	(6.7)
Selling expenses	456	489	(6.8)	864	927	(6.8)
Depreciation and amortization	474	483	(1.9)	944	969	(2.6)
Special items, net	—	—	—	70	13	nm
Other	1,640	1,495	9.7	3,175	2,955	7.5
Total operating expenses	12,950	11,892	8.9	25,513	23,644	7.9
Operating income	1,384	2,163	(36.0)	1,391	2,600	(46.5)
Nonoperating income (expense):						
Interest income	128	162	(21.3)	246	288	(14.7)
Interest expense, net	(486)	(548)	(11.3)	(984)	(1,088)	(9.7)
Other income (expense), net	2	(14)	nm ⁽¹⁾	(38)	(21)	86.1
Total nonoperating expense, net	(356)	(400)	(11.0)	(776)	(821)	(5.5)
Income before income taxes	1,028	1,763	(41.7)	615	1,779	(65.4)
Income tax provision	311	425	(26.6)	210	431	(51.2)
Net income	\$ 717	\$ 1,338	(46.4)	\$ 405	\$ 1,348	(70.0)
Earnings per common share:						
Basic	\$ 1.09	\$ 2.05		\$ 0.62	\$ 2.06	
Diluted	\$ 1.01	\$ 1.88		\$ 0.59	\$ 1.91	
Weighted average shares outstanding (in thousands):						
Basic	656,965	653,602		656,406	652,801	
Diluted	720,302	719,345		720,712	718,890	

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,			Increase (Decrease)	6 Months Ended June 30,			Increase (Decrease)
	2024	2023			2024	2023		
Revenue passenger miles (millions)	65,144	60,020	8.5 %	122,617	112,034	9.4 %		
Available seat miles (ASM) (millions)	75,263	69,658	8.0 %	145,779	134,665	8.3 %		
Passenger load factor (percent)	86.6	86.2	0.4 pts	84.1	83.2	0.9 pts		
Yield (cents)	20.27	21.62	(6.3) %	20.11	21.49	(6.4) %		
Passenger revenue per ASM (cents)	17.54	18.63	(5.8) %	16.92	17.88	(5.4) %		
Total revenue per ASM (cents)	19.05	20.18	(5.6) %	18.46	19.49	(5.3) %		
Cargo ton miles (millions)	515	427	20.6 %	999	849	17.7 %		
Cargo yield per ton mile (cents)	37.87	46.31	(18.2) %	38.25	49.51	(22.8) %		
Fuel consumption (gallons in millions)	1,132	1,041	8.8 %	2,174	2,006	8.4 %		
Average aircraft fuel price including related taxes (dollars per gallon)	2.70	2.62	3.3 %	2.78	2.94	(5.4) %		
Operating cost per ASM (cents)	17.21	17.07	0.8 %	17.50	17.56	(0.3) %		
Operating cost per ASM excluding net special items (cents)	17.21	17.06	0.8 %	17.45	17.54	(0.5) %		
Operating cost per ASM excluding net special items and fuel (cents)	13.14	13.16	(0.1) %	13.31	13.17	1.1 %		
Passenger enplanements (thousands)	59,188	54,285	9.0 %	111,954	102,517	9.2 %		
Departures (thousands):								
Mainline	306	289	5.9 %	596	564	5.8 %		
Regional	243	209	16.2 %	462	411	12.6 %		
Total	549	498	10.3 %	1,058	975	8.6 %		
Average stage length (miles):								
Mainline	1,154	1,141	1.2 %	1,155	1,132	2.0 %		
Regional	457	463	(1.4) %	460	466	(1.1) %		
Total	845	856	(1.3) %	852	851	— %		
Aircraft at end of period:								
Mainline	970	944	2.8 %	970	944	2.8 %		
Regional ⁽²⁾	559	526	6.3 %	559	526	6.3 %		
Total	1,529	1,470	4.0 %	1,529	1,470	4.0 %		
Full-time equivalent employees at end of period:								
Mainline	107,400	104,400	2.9 %	107,400	104,400	2.9 %		
Regional ⁽³⁾	30,000	28,100	6.8 %	30,000	28,100	6.8 %		
Total	137,400	132,500	3.7 %	137,400	132,500	3.7 %		

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 65 regional aircraft in temporary storage as of June 30, 2024 as follows: 55 Embraer 145, eight Bombardier CRJ 700, and two Embraer 170.

⁽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,		Increase (Decrease)	6 Months Ended June 30,		Increase (Decrease)
	2024	2023		2024	2023	
Domestic ⁽¹⁾						
Revenue passenger miles (millions)	43,183	39,758	8.6 %	81,994	75,509	8.6 %
Available seat miles (ASM) (millions)	49,613	45,700	8.6 %	96,716	90,255	7.2 %
Passenger load factor (percent)	87.0	87.0	— pts	84.8	83.7	1.1 pts
Passenger revenue (dollars in millions)	9,342	9,195	1.6 %	17,604	17,232	2.2 %
Yield (cents)	21.63	23.13	(6.5) %	21.47	22.82	(5.9) %
Passenger revenue per ASM (cents)	18.83	20.12	(6.4) %	18.20	19.09	(4.7) %
Latin America ⁽²⁾						
Revenue passenger miles (millions)	8,576	7,926	8.2 %	18,672	16,934	10.3 %
Available seat miles (millions)	9,873	9,200	7.3 %	21,611	19,710	9.6 %
Passenger load factor (percent)	86.9	86.2	0.7 pts	86.4	85.9	0.5 pts
Passenger revenue (dollars in millions)	1,562	1,640	(4.8) %	3,464	3,555	(2.6) %
Yield (cents)	18.21	20.69	(12.0) %	18.55	20.99	(11.6) %
Passenger revenue per ASM (cents)	15.82	17.82	(11.2) %	16.03	18.04	(11.1) %
Atlantic						
Revenue passenger miles (millions)	11,527	10,689	7.8 %	17,982	16,510	8.9 %
Available seat miles (millions)	13,629	12,823	6.3 %	22,671	21,065	7.6 %
Passenger load factor (percent)	84.6	83.4	1.2 pts	79.3	78.4	0.9 pts
Passenger revenue (dollars in millions)	2,019	1,888	7.0 %	3,012	2,819	6.8 %
Yield (cents)	17.52	17.66	(0.8) %	16.75	17.07	(1.9) %
Passenger revenue per ASM (cents)	14.82	14.72	0.7 %	13.28	13.38	(0.7) %
Pacific						
Revenue passenger miles (millions)	1,858	1,647	12.9 %	3,969	3,081	28.8 %
Available seat miles (millions)	2,148	1,935	11.0 %	4,781	3,635	31.5 %
Passenger load factor (percent)	86.5	85.1	1.4 pts	83.0	84.8	(1.8) pts
Passenger revenue (dollars in millions)	279	255	9.4 %	581	475	22.4 %
Yield (cents)	15.02	15.50	(3.1) %	14.64	15.40	(5.0) %
Passenger revenue per ASM (cents)	13.00	13.19	(1.4) %	12.15	13.06	(6.9) %
Total International						
Revenue passenger miles (millions)	21,961	20,262	8.4 %	40,623	36,525	11.2 %
Available seat miles (millions)	25,650	23,958	7.1 %	49,063	44,410	10.5 %
Passenger load factor (percent)	85.6	84.6	1.0 pts	82.8	82.2	0.6 pts
Passenger revenue (dollars in millions)	3,860	3,783	2.1 %	7,057	6,849	3.0 %
Yield (cents)	17.58	18.67	(5.8) %	17.37	18.75	(7.4) %
Passenger revenue per ASM (cents)	15.05	15.79	(4.7) %	14.38	15.42	(6.7) %

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 June 30,		Percent Increase (Decrease)	6 Months Ended June 30,		Percent Increase (Decrease)
	2024	2023		2024	2023	
Reconciliation of Operating Income Excluding Net Special Items						
	(in millions)			(in millions)		
Operating income as reported	\$ 1,384	\$ 2,163		\$ 1,391	\$ 2,600	
Operating net special items:						
Mainline operating special items, net ⁽¹⁾	—	—		70	13	
Regional operating special items, net	—	6		—	6	
Operating income excluding net special items	\$ 1,384	\$ 2,169	(36.2%)	\$ 1,461	\$ 2,619	(44.2%)
Calculation of Operating Margin						
Operating income as reported	\$ 1,384	\$ 2,163		\$ 1,391	\$ 2,600	
Total operating revenues as reported	\$ 14,334	\$ 14,055		\$ 26,904	\$ 26,244	
Operating margin	9.7 %	15.4 %		5.2 %	9.9 %	
Calculation of Operating Margin Excluding Net Special Items						
Operating income excluding net special items	\$ 1,384	\$ 2,169		\$ 1,461	\$ 2,619	
Total operating revenues as reported	\$ 14,334	\$ 14,055		\$ 26,904	\$ 26,244	
Operating margin excluding net special items	9.7 %	15.4 %		5.4 %	10.0 %	
Reconciliation of Pre-Tax Income Excluding Net Special Items						
Pre-tax income as reported	\$ 1,028	\$ 1,763		\$ 615	\$ 1,779	
Pre-tax net special items:						
Mainline operating special items, net ⁽¹⁾	—	—		70	13	
Regional operating special items, net	—	6		—	6	
Nonoperating special items, net ⁽²⁾	12	28		58	45	
Total pre-tax net special items	12	34		128	64	
Pre-tax income excluding net special items	\$ 1,040	\$ 1,797	(42.1%)	\$ 743	\$ 1,843	(59.7%)
Calculation of Pre-Tax Margin						
Pre-tax income as reported	\$ 1,028	\$ 1,763		\$ 615	\$ 1,779	
Total operating revenues as reported	\$ 14,334	\$ 14,055		\$ 26,904	\$ 26,244	
Pre-tax margin	7.2 %	12.5 %		2.3 %	6.8 %	
Calculation of Pre-Tax Margin Excluding Net Special Items						
Pre-tax income excluding net special items	\$ 1,040	\$ 1,797		\$ 743	\$ 1,843	
Total operating revenues as reported	\$ 14,334	\$ 14,055		\$ 26,904	\$ 26,244	
Pre-tax margin excluding net special items	7.3 %	12.8 %		2.8 %	7.0 %	

Reconciliation of Net Income Excluding Net Special Items	3 Months Ended June 30,		Percent Increase (Decrease)	6 Months Ended June 30,		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)		
	\$ 717	\$ 1,338		\$ 405	\$ 1,348	
Net special items:						
Total pre-tax net special items ^{(1), (2)}	12	34		128	64	
Net tax effect of net special items	45	(1)		15	(8)	
Net income excluding net special items	\$ 774	\$ 1,371	(43.6%)	\$ 548	\$ 1,404	(60.9%)
Reconciliation of Basic and Diluted Earnings Per Share Excluding Net Special Items						
Net income excluding net special items	\$ 774	\$ 1,371		\$ 548	\$ 1,404	
Shares used for computation (in thousands):						
Basic	656,965	653,602		656,406	652,801	
Diluted	720,302	719,345		720,712	718,890	
Earnings per share excluding net special items:						
Basic	\$ 1.18	\$ 2.10		\$ 0.84	\$ 2.15	
Diluted ⁽³⁾	\$ 1.09	\$ 1.92		\$ 0.79	\$ 1.98	
Reconciliation of Total Operating Costs per ASM Excluding Net Special Items and Fuel						
Total operating expenses as reported	\$ 12,950	\$ 11,892		\$ 25,513	\$ 23,644	
Operating net special items:						
Mainline operating special items, net ⁽¹⁾	—	—		(70)	(13)	
Regional operating special items, net	—	(6)		—	(6)	
Total operating expenses excluding net special items	12,950	11,886		25,443	23,625	
Aircraft fuel and related taxes	(3,061)	(2,723)		(6,042)	(5,890)	
Total operating expenses excluding net special items and fuel	\$ 9,889	\$ 9,163		\$ 19,401	\$ 17,735	
	(in cents)			(in cents)		
Total operating expenses per ASM as reported	17.21	17.07		17.50	17.56	
Operating net special items per ASM:						
Mainline operating special items, net ⁽¹⁾	—	—		(0.05)	(0.01)	
Regional operating special items, net	—	(0.01)		—	—	
Total operating expenses per ASM excluding net special items	17.21	17.06		17.45	17.54	
Aircraft fuel and related taxes per ASM	(4.07)	(3.91)		(4.14)	(4.37)	
Total operating expenses per ASM excluding net special items and fuel	13.14	13.16		13.31	13.17	

Note: Amounts may not recalculate due to rounding.

FOOTNOTES:

⁽¹⁾ The 2024 six month period mainline operating special items, net principally included \$57 million of one-time charges resulting from the ratification of a new collective bargaining agreement with our mainline passenger service team members, including a one-time signing bonus.

⁽²⁾ 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.

⁽³⁾ The 2024 three and six 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 \$9 million and \$22 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 six 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 \$12 million and \$23 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)

	6 Months Ended June 30,	
	2024	2023
Net cash provided by operating activities	\$ 3,308	\$ 5,096
Cash flows from investing activities:		
Capital expenditures and aircraft purchase deposits	(1,475)	(1,244)
Proceeds from sale-leaseback transactions and sale of property and equipment	353	183
Purchases of short-term investments	(4,714)	(7,587)
Sales of short-term investments	3,881	4,656
Decrease in restricted short-term investments	68	33
Other investing activities	(5)	214
Net cash used in investing activities	(1,892)	(3,745)
Cash flows from financing activities:		
Payments on long-term debt and finance leases	(1,836)	(3,246)
Proceeds from issuance of long-term debt	527	2,143
Other financing activities	(48)	(55)
Net cash used in financing activities	(1,357)	(1,158)
Net increase in cash and restricted cash	59	193
Cash and restricted cash at beginning of period	681	586
Cash and restricted cash at end of period ⁽¹⁾	<u>\$ 740</u>	<u>\$ 779</u>

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

Cash	\$ 605	\$ 614
Restricted cash included in restricted cash and short-term investments	135	165
Total cash and restricted cash	<u>\$ 740</u>	<u>\$ 779</u>

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 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, 2024	
	(in millions)	
Net cash provided by operating activities	\$	3,308
Adjusted net cash used in investing activities ⁽¹⁾		(1,091)
Free cash flow	\$	2,217

⁽¹⁾ The following table provides a reconciliation of adjusted net cash used in investing activities for the six months ended June 30, 2024 (in millions):

Net cash used in investing activities	\$	(1,892)
Adjustments:		
Net purchases of short-term investments		833
Increase in restricted cash		(32)
Adjusted net cash used in investing activities	\$	(1,091)

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

	June 30, 2024 (unaudited)	December 31, 2023
Assets		
Current assets		
Cash	\$ 605	\$ 578
Short-term investments	7,841	7,000
Restricted cash and short-term investments	875	910
Accounts receivable, net	2,067	2,026
Aircraft fuel, spare parts and supplies, net	2,575	2,400
Prepaid expenses and other	832	658
Total current assets	14,795	13,572
Operating property and equipment		
Flight equipment	42,752	41,794
Ground property and equipment	10,198	10,307
Equipment purchase deposits	1,052	760
Total property and equipment, at cost	54,002	52,861
Less accumulated depreciation and amortization	(22,958)	(22,097)
Total property and equipment, net	31,044	30,764
Operating lease right-of-use assets		
	7,873	7,939
Other assets		
Goodwill	4,091	4,091
Intangibles, net	2,047	2,051
Deferred tax asset	2,668	2,888
Other assets	1,607	1,753
Total other assets	10,413	10,783
Total assets	\$ 64,125	\$ 63,058
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities		
Current maturities of long-term debt and finance leases	\$ 4,120	\$ 3,632
Accounts payable	3,016	2,353
Accrued salaries and wages	1,767	2,377
Air traffic liability	8,030	6,200
Loyalty program liability	3,619	3,453
Operating lease liabilities	1,209	1,309
Other accrued liabilities	2,849	2,738
Total current liabilities	24,610	22,062
Noncurrent liabilities		
Long-term debt and finance leases, net of current maturities	27,636	29,270
Pension and postretirement benefits	2,652	3,044
Loyalty program liability	6,031	5,874
Operating lease liabilities	6,482	6,452
Other liabilities	1,460	1,558
Total noncurrent liabilities	44,261	46,198
Stockholders' equity (deficit)		
Common stock, 656,607,802 shares outstanding at June 30, 2024	7	7
Additional paid-in capital	7,389	7,374
Accumulated other comprehensive loss	(4,858)	(4,894)
Retained deficit	(7,284)	(7,689)
Total stockholders' deficit	(4,746)	(5,202)
Total liabilities and stockholders' equity (deficit)	\$ 64,125	\$ 63,058

American Airlines Group Inc.

Exhibit 99.2

SECOND- QUARTER 2024 FINANCIAL RESULTS

July 25, 2024



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 June 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.



Second-quarter results

- **Record quarterly revenue of \$14.3 billion.**
- Second-quarter net income per diluted share of \$1.01. Excluding net special items¹, second-quarter net income per diluted share of \$1.09.
- **Strong second-quarter completion factor,** despite significant weather disruptions.
- **Reduced total debt² by ~\$680 million** in the quarter. Now, ~87% of the way to \$15 billion total debt reduction goal by year-end 2025.



1. See GAAP to non-GAAP reconciliations at the end of this presentation.
2. Total debt includes debt, finance and operating lease liabilities and pension obligations.
Source: Airline financials.

Taking action to reset our sales and distribution strategy

Ensuring our product is available wherever customers want to buy it

- Returned content to the distribution channel traditionally used by travel agencies and corporate managed travel programs.
- Removed plans to differentiate how customers earn AAdvantage® miles and Loyalty Points based on where they purchase. All members continue to earn in the AAdvantage® program – no matter where they book.

Making it easy and attractive to do business with us

- Enhanced AAdvantage Business™ program by adding new features and allowing companies to earn AAdvantage® miles and Loyalty Points as part of the program, including when booking through travel agencies.
- Increasing customer support with dedicated AAdvantage Business™ customer service team.

Strengthening our relationships and regaining our partners' trust

- Listening to feedback from corporate and agency partners.
- Renegotiating contracts with corporate customers and travel agencies.
- Increasing sales support for agencies.

American continues to operate reliably

- American achieved a strong second-quarter completion factor, despite significant weather disruptions.



¹ Combined Mainline and Regional completion factor. Excludes 2020 and 2021 as the impacts of COVID in these years limits their comparability.
Source: Internal data.

2024 capacity outlook

- American reacted quickly to the industry supply and demand imbalance and is now planning for capacity to be ~3.5% higher in the second half of 2024.



Financial update



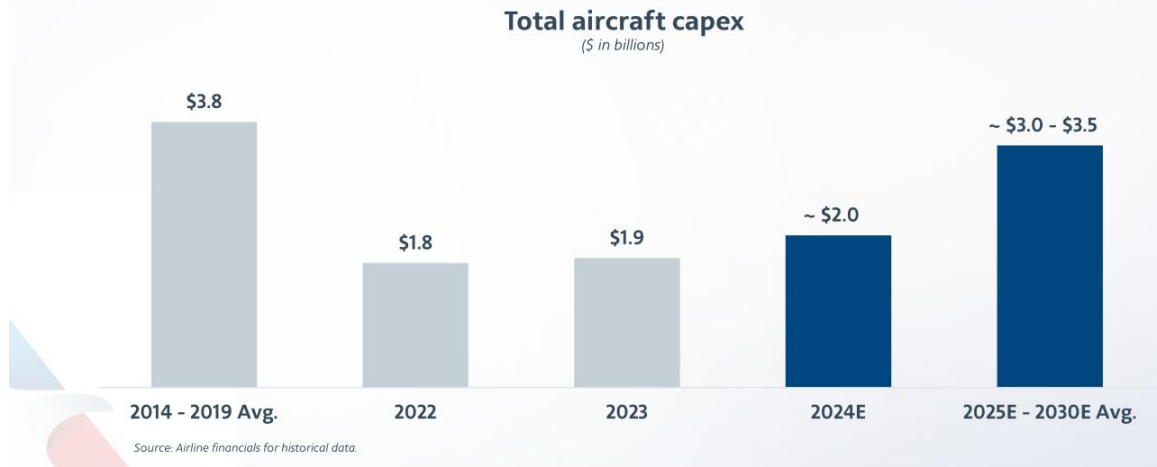
Second-quarter financial results

	GAAP		Non-GAAP ¹	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023
	<i>(in millions, except share and per share amounts)</i>			
Operating Income	\$1,384	\$2,163	\$1,384	\$2,169
Pre-Tax Income	\$1,028	\$1,763	\$1,040	\$1,797
Net Income	\$717	\$1,338	\$774	\$1,371
Earnings per common share:				
Basic	\$1.09	\$2.05	\$1.18	\$2.10
Diluted	\$1.01	\$1.88	\$1.09	\$1.92
Weighted average shares outstanding (in thousands):				
Basic	656,965	653,602	656,965	653,602
Diluted	720,302	719,345	720,302	719,345

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

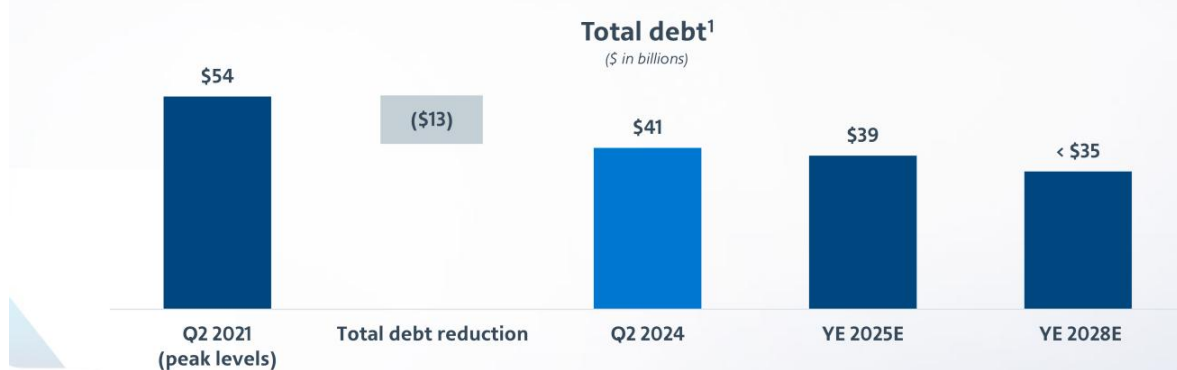
Moderate capex profile enables balance sheet strengthening

- American has limited fleet replacement needs through the end of the decade which allows for modest capex and the potential for strong free cash flow production.



Continued progress toward deleveraging goals

- Ongoing commitment to **reduce total debt¹ to \$39B by YE 2025** and less than \$35B by YE 2028.
- Reduced total debt by ~\$680M during Q2 2024.
- **Reduced total debt by \$13B** from peak levels, ~87% of the way to the YE 2025 goal.



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

Third-quarter and full-year outlook

	Q3 2024
Total capacity (ASMs) (vs. Q3 2023)	~ +2% to +4%
TRASM (vs. Q3 2023)	~ -2.5% to -4.5%
CASM-ex ¹ (vs. Q3 2023)	~ +1% to +3%
Fuel (\$/gallon) ²	~ \$2.55 to \$2.75
Adjusted operating margin ¹	~ 2% to 4%
Adjusted earnings per diluted share ^{1, 3}	~ Breakeven
	FY 2024
Total capacity (ASMs) (vs. 2023)	~ +5% to +6%
TRASM (vs. 2023)	~ -3% to -5%
CASM-ex ¹ (vs. 2023)	~ +1% to +3%
Fuel (\$/gallon) ²	~ \$2.65 to \$2.75
Adjusted operating margin ¹	~ 3.5% to 5.5%
Adjusted earnings per diluted share ^{1, 3}	~ \$0.70 to \$1.30

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 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 Consumption of ~113 to 115 billion gallons in Q3 2024 and ~4.40 to 4.43 billion gallons in 2024, based on July 19, 2024 forward fuel curve.

³ The Company's third-quarter 2024 diluted share count for purposes of computing adjusted earnings per diluted share excludes 61.7m shares attributed to the Company's 6.5% convertible notes as they are expected to be antidilutive. Such shares are expected to be dilutive for the full-year 2024 adjusted earnings per diluted share calculation.



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

	3 Months Ended June 30,		Percent Increase (Decrease)	6 Months Ended June 30,		Percent Increase (Decrease)				
	2024	(in millions)		2023	2024		(in millions)	2023		
Reconciliation of Operating Income Excluding Net Special Items										
Operating income as reported	\$	1,384	\$	2,163	\$	1,391	\$	2,600		
Operating net special items:										
Mainline operating special items, net ⁽¹⁾		-		-		70		13		
Regional operating special items, net		-		6		-		6		
Operating income excluding net special items	\$	1,384	\$	2,169	(36.2%)	\$	1,461	\$	2,619	(44.2%)
Calculation of Operating Margin										
Operating income as reported	\$	1,384	\$	2,163		\$	1,391	\$	2,600	
Total operating revenues as reported	\$	14,334	\$	14,055		\$	26,904	\$	26,244	
Operating margin		9.7%		15.4%			5.2%		9.9%	
Calculation of Operating Margin Excluding Net Special Items										
Operating income excluding net special items	\$	1,384	\$	2,169		\$	1,461	\$	2,619	
Total operating revenues as reported	\$	14,334	\$	14,055		\$	26,904	\$	26,244	
Operating margin excluding net special items		9.7%		15.4%			5.4%		10.0%	
Reconciliation of Pre-Tax Income Excluding Net Special Items										
Pre-tax income as reported	\$	1,028	\$	1,763		\$	615	\$	1,779	
Pre-tax net special items:										
Mainline operating special items, net ⁽¹⁾		-		-		70		13		
Regional operating special items, net		-		6		-		6		
Nonoperating special items, net ⁽²⁾		12		28		58		45		
Total pre-tax net special items		12		34		128		64		
Pre-tax income excluding net special items	\$	1,040	\$	1,797	(42.1%)	\$	743	\$	1,843	(59.7%)
Calculation of Pre-Tax Margin										
Pre-tax income as reported	\$	1,028	\$	1,763		\$	615	\$	1,779	
Total operating revenues as reported	\$	14,334	\$	14,055		\$	26,904	\$	26,244	
Pre-tax margin		7.2%		12.5%			2.3%		6.8%	
Calculation of Pre-Tax Margin Excluding Net Special Items										
Pre-tax income excluding net special items	\$	1,040	\$	1,797		\$	743	\$	1,843	
Total operating revenues as reported	\$	14,334	\$	14,055		\$	26,904	\$	26,244	
Pre-tax margin excluding net special items		7.3%		12.8%			2.8%		7.0%	

GAAP to non-GAAP reconciliation

Reconciliation of Net Income Excluding Net Special Items	3 Months Ended June 30,		Percent Increase (Decrease)	6 Months Ended June 30,		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	\$ 717	\$ 1,338		\$ 405	\$ 1,348	
Net special items:						
Total pre-tax net special items ^{(1), (2)}	12	34		128	64	
Net tax effect of net special items	45	(1)		15	(8)	
Net income excluding net special items	\$ 774	\$ 1,371	(43.6%)	\$ 548	\$ 1,404	(60.9%)
Reconciliation of Basic and Diluted Earnings Per Share Excluding Net Special Items						
Net income excluding net special items	\$ 774	\$ 1,371		\$ 548	\$ 1,404	
Shares used for computation (in thousands):						
Basic	656,985	653,802		656,406	652,801	
Diluted	720,302	718,345		720,712	718,850	
Earnings per share excluding net special items:						
Basic	\$ 1.18	\$ 2.10		\$ 0.84	\$ 2.15	
Diluted ⁽³⁾	\$ 1.09	\$ 1.92		\$ 0.72	\$ 1.98	
Reconciliation of Total Operating Costs per ASM Excluding Net Special Items and Fuel						
Total operating expenses as reported	\$ 12,950	\$ 11,892		\$ 25,513	\$ 23,644	
Operating net special items:						
Mainline operating special items, net ⁽¹⁾	-	-		(70)	(13)	
Regional operating special items, net	-	(6)		-	(8)	
Total operating expenses excluding net special items	12,950	11,886		25,443	23,625	
Aircraft fuel and related taxes	(3,061)	(2,723)		(6,042)	(5,890)	
Total operating expenses excluding net special items and fuel	\$ 9,889	\$ 9,163		\$ 19,401	\$ 17,735	
	(in cents)			(in cents)		
Total operating expenses per ASM as reported	17.21	17.07		17.50	17.56	
Operating net special items per ASM:						
Mainline operating special items, net ⁽¹⁾	-	-		(0.05)	(0.01)	
Regional operating special items, net	-	(0.01)		-	-	
Total operating expenses per ASM excluding net special items	17.21	17.06		17.45	17.54	
Aircraft fuel and related taxes per ASM	(4.07)	(3.91)		(4.14)	(4.37)	
Total operating expenses per ASM excluding net special items and fuel	13.14	13.16		13.31	13.17	

FOOTNOTES:

- (1) The 2024 six month period mainline operating special items, net principally included \$57 million of one-time charges resulting from the ratification of a new collective bargaining agreement with our mainline passenger service team members, including a one-time signing bonus.
- (2) 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.
- (3) The 2024 three and six 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 \$9 million and \$22 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 six 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 \$12 million and \$23 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 purchases 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, 2024 (in millions)
Net cash provided by operating activities	\$ 3,308
Adjusted net cash used in investing activities ⁽¹⁾	<u>(1,091)</u>
Free cash flow	<u>\$ 2,217</u>

⁽¹⁾ The following table provides a reconciliation of adjusted net cash used in investing activities for the six months ended June 30, 2024 (in millions):

Net cash used in investing activities	\$ (1,892)
Adjustments:	
Net purchases of short-term investments	833
Increase in restricted cash	<u>(32)</u>
Adjusted net cash used in investing activities	<u>\$ (1,091)</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 June 30, 2024 (in millions)	
Operating income as reported	\$	1,384
Adjustments:		
Aircraft rent ⁽¹⁾		316
Depreciation and amortization ⁽¹⁾		553
Adjusted EBITDAR	\$	2,253
Calculation of Adjusted EBITDAR Margin		
Adjusted EBITDAR	\$	2,253
Total operating revenues as reported	\$	14,334
Adjusted EBITDAR Margin		15.7%

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



Investor Relations Update
July 25, 2024

General Overview

- **Capacity** - The Company expects its third-quarter capacity to be up 2% to 4% versus the third quarter of 2023. The Company expects its 2024 second-half capacity to be up approximately 3.5% and its full-year capacity to be up 5% to 6% year over year.
- **TRASM** - Third-quarter total revenue per available seat mile (TRASM) is expected to be down approximately 2.5% to 4.5% versus the third quarter of 2023. Full-year TRASM is expected to be down approximately 3% to 5% versus 2023.
- **CASM-ex¹** - The Company expects both its third-quarter and full-year CASM-ex to be up approximately 1% to 3% year over year.
- **Fuel** - Based on the July 19, 2024, forward fuel curve, the Company expects to pay an average of between \$2.55 and \$2.75 per gallon of jet fuel (including taxes) in the third quarter and between \$2.65 and \$2.75 per gallon of jet fuel (including taxes) for the full year. The Company expects to consume between approximately 1.13 and 1.15 billion gallons of jet fuel in the third quarter and between approximately 4.40 and 4.43 billion gallons of jet fuel for the full year.
- **Adjusted operating margin¹** - Based on current assumptions, the Company expects an adjusted operating margin of approximately 2% to 4% for the third quarter and 3.5% to 5.5% for the full year.
- **Adjusted nonoperating expense¹** - The Company expects its total adjusted nonoperating expense to be approximately \$365 million in the third quarter. The Company continues to expect its full-year total adjusted nonoperating expense to be approximately \$1.44 billion.
- **Taxes** - The Company expects a provision for income taxes at an estimated effective tax rate of approximately 27% for the third quarter and full year, which is expected to be substantially non-cash.
- **Adjusted EPS¹** - Based on the assumptions outlined above, the Company expects its third-quarter adjusted earnings per diluted share to be approximately breakeven based on an expected share count of 658.7 million shares². Based on current assumptions, the Company expects its full-year adjusted earnings per diluted share to be between \$0.70 and \$1.30 using a share count of 720.9 million shares².
- **Free cash flow³** - Based on current assumptions, the Company expects its full-year free cash flow to be approximately \$500 million.

Notes:

1. *CASM-ex is cost per available seat mile (CASM) excluding fuel and net special items and is a non-GAAP measure. Adjusted operating margin, adjusted nonoperating expense and adjusted earnings per diluted share exclude 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. Please see GAAP to non-GAAP reconciliation at the end of this document.*
2. *The Company's third-quarter 2024 diluted share count for purposes of computing adjusted earnings per diluted share excludes 61.7m shares attributed to the Company's 6.5% convertible notes as they are expected to be antidilutive. Such shares are expected to be dilutive for the full-year 2024 adjusted earnings per diluted share calculation.*
3. *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. Free cash flow is a non-GAAP measure.*

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

Financial Update July 25, 2024

	Q3 2024 ¹			
Available seat miles (ASMs)				~ +2% to +4% (vs. Q3 23)
TRASM				~ -2.5% to -4.5% (vs. Q3 23)
CASM excluding fuel and net special items				~ +1% to +3% (vs. Q3 23)
Average fuel price (incl. taxes) (\$/gal)				~ \$2.55 to \$2.75
Fuel gallons consumed (bil)				~ 1.13 to 1.15
Adjusted operating margin				~ 2% to 4%
Adjusted nonoperating expense (\$ mil)				~ \$365
Adjusted earnings per diluted share (\$/share)				~ Breakeven
	Q3 2024 Shares Forecast			
	Shares (mil) ²			
Earnings Level (\$ mil)	Basic	Diluted	Addback (\$ mil) ³	
Earnings above \$122	657.4	720.4		\$11
Earnings up to \$122	657.4	658.7		—
Net loss	657.4	657.4		—

	FY 2024 ¹			
Available seat miles (ASMs)				~ +5% to +6% (vs. 2023)
TRASM				~ -3% to -5% (vs. 2023)
CASM excluding fuel and net special items				~ +1% to +3% (vs. 2023)
Average fuel price (incl. taxes) (\$/gal)				~ \$2.65 to \$2.75
Fuel gallons consumed (bil)				~ 4.40 to 4.43
Adjusted operating margin				~ 3.5% to 5.5%
Adjusted nonoperating expense (\$ bil)				~ \$1.44
Adjusted earnings per diluted share (\$/share)				~ \$0.70 to \$1.30
	FY 2024 Shares Forecast			
	Shares (mil) ²			
Earnings Level (\$ mil)	Basic	Diluted	Addback (\$ mil) ³	
Earnings above \$533	657.0	720.9		\$50
Earnings up to \$533	657.0	659.1		—
Net loss	657.0	657.0		—

Notes:

- 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. Please see the GAAP to non-GAAP reconciliation at the end of this document. Numbers may not recalculate due to rounding.
- 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.
- Interest addback for earnings per diluted share calculation for 6.5% convertible notes, net of estimated profit sharing and tax effects.

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GAAP to Non-GAAP Reconciliation July 25, 2024

The Company sometimes uses financial measures that are derived from the condensed consolidated financial statements or otherwise provided in the form of guidance but that are not presented in accordance with GAAP to understand and evaluate its current operating performance and to allow for period-to-period comparisons. The Company believes these non-GAAP financial measures may also provide useful information to investors and others. These non-GAAP measures may not be comparable to similarly titled non-GAAP measures of other companies, and should be considered in addition to, and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with GAAP. The Company is providing a reconciliation of reported non-GAAP financial measures to their comparable financial measures on a GAAP basis. The table below presents the reconciliation of total operating costs (GAAP measure) to total operating costs excluding fuel and net special items (non-GAAP measure) and total operating costs per ASM (CASM) to CASM excluding fuel and net special items. Management uses total operating costs excluding fuel and net special items and CASM excluding fuel and net special items 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. Additionally, net special items may vary from period-to-period in nature and amount. These adjustments to exclude fuel and net special items allow management an additional tool to understand and analyze the Company's non-fuel costs and core operating performance.

GAAP to Non-GAAP Reconciliation of Total Operating Costs and CASM (\$ mil, except ASM and CASM data)

	Q3 2024 Range ¹		FY 2024 Range ¹	
	Low	High	Low	High
Total operating expenses	\$12,712	\$13,384	\$50,390	\$52,056
Less fuel expense	2,882	3,163	11,660	12,183
Less operating net special items	—	—	—	—
Total operating expenses excluding fuel and net special items (non-GAAP)	\$9,830	\$10,221	\$38,730	\$39,873
Total CASM (cts)	17.01	17.56	17.28	17.68
Total CASM excluding fuel and net special items (cts) (non-GAAP)	13.15	13.41	13.28	13.54
Percentage change compared to 2023 (%)	~ 1.0%	~ 3.0%	~ 1.0%	~ 3.0%
Total ASMs (bil)	74.8	76.2	291.6	294.4

Amounts may not recalculate due to rounding.

Notes:

1. 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.

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Forward-Looking Statements
July 25, 2024

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 June 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.