

2018 Annual Meeting of Stockholders

Playing the Long Game

June 13, 2018



Doug Parker
Chairman and Chief Executive Officer
American Airlines Group Inc.

Cautionary Statement Regarding Forward-Looking Statements and Information



This document includes forward-looking statements within the meaning of 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 future financial and operating results, the Company’s plans, objectives, estimates, expectations, and 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 in the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 (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 in the Company’s other filings with the Securities and Exchange Commission (“SEC”), and other risks and uncertainties listed from time to time in the Company’s other filings with the SEC. 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 statements.

Highlights of 2017



- Pre-tax profit¹ of \$3.8 billion, pre-tax margin¹ of 9.1 percent
- Invested more than \$300 million in facilities and equipment
- Took delivery of 57 new mainline replacement aircraft
- Rolled out Basic Economy to the U.S., Mexico and the Caribbean
- Rolled out international Premium Economy
- YOY improvements in core operating metrics
- Repurchased \$1.6 billion of AAL stock, or 33.9 million shares
- Paid \$198 million in quarterly dividends

Note: On January 1, 2018, the Company adopted Accounting Standard Update (ASU): ASU 2014-09: Revenue from Contracts with Customers (the "New Revenue Standard"). The 2017 profitability highlights presented above do not reflect the effects of adopting the New Revenue Standard. For additional information, see Note 1(b) to the Company's Condensed Consolidated Financial Statements in Part I, Item 1A of its first quarter 2018 Form 10-Q.

1/ Excludes net special items. Please refer to the Company's GAAP to Non-GAAP reconciliation in the appendix.



***The Leap of Faith
Revisited***

The Leap of Faith Revisited



The Leap:

Believe/Understand that our industry and our airline have been materially and permanently transformed

The Implication:

Leadership must adapt to the new world

Largest Difference For Leadership is Time Horizon



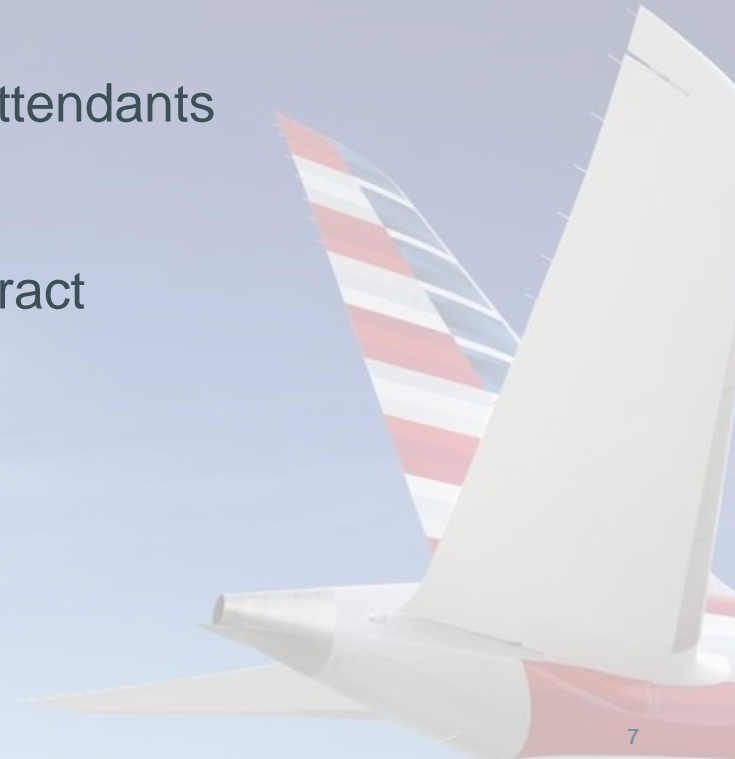
- **Pre Leap of Faith:** Survive – Very short term decision making
- **Post Leap of Faith:** Play the Long Game – Make decisions now to assure American is great forever



Playing the Long Game - Examples



- Profit Sharing
- One Campus, One Team
- Mid-contract adjustment: Pilots and Flight Attendants
- Investor guidance
- TWU/IAM pay increase before full joint contract
- \$1,000 tax reform bonus for team members



Playing the Long Game



Create a World-Class Customer Experience



- Best on-time departure and arrival performance since 2003; Best baggage handling since 1994
- Youngest fleet of the big four airlines
- Introduced Premium Economy – first U.S. airline to do so
- Introduced Flagship First Dining
- Introduced Basic Economy to the lower 48 states in the U.S., Mexico and the Caribbean
- First 737 MAX delivered
- Began installation of streaming-capable satellite internet
- Painted the last aircraft in the new livery

Make Culture a Competitive Advantage



- Started the year being named ATW Airline of the Year and celebrated with 2 tickets for every team member
- Full year profit sharing payout of \$241 million
- Improved pay/benefits – including mid-contract adjustment for Pilots and Flight Attendants
- Invested more than \$300 million in facilities and equipment for team members
- Delivered Elevate service training to 35,000 team members and expanded leadership training
- In-sourced CM56-5B engine work to the Tulsa base
- Paid \$1,000 to each team member to share tax reform benefits

Ensure Long-Term Financial Strength



- Returned \$1.7 billion to shareholders through buybacks and dividends
- Held a successful investor and media day in the fall and announced revenue and cost projects worth \$3.9 billion
- Completed several innovative financing transactions, including:
 - Repriced \$5 billion in term loans while extending and increasing the revolving credit facility
 - Re-entered the sale leaseback market to take advantage of global demand for financing aircraft
 - Set a new benchmark rate for EETC B tranche aircraft debt

Think Forward, Lead Forward



- Announced a \$200 million investment in China Southern Airlines
- Restructured trans-Atlantic Joint Business Agreement



- Adopted next-generation technology such as cloud hosting and machine learning to speed time to value



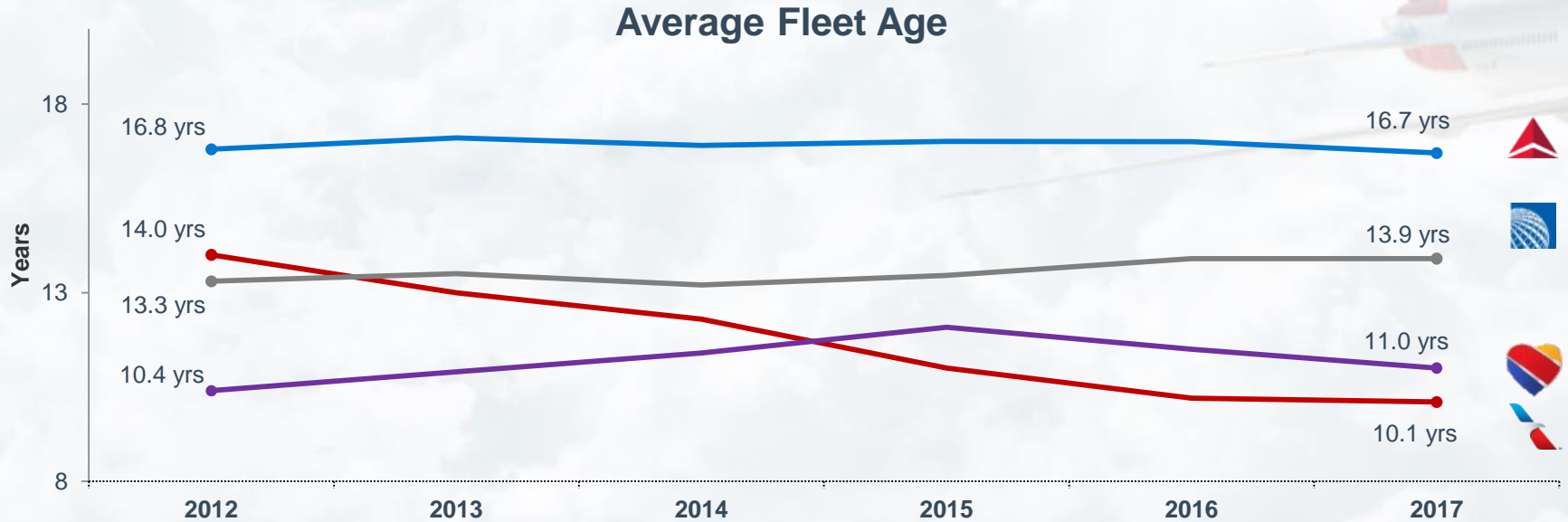
- Committed more than \$1.6 billion for improvements of LAX Terminals 4 and 5, allowing for more gate space and further strengthening the Pacific gateway



- Built a five-gate expansion at Chicago O'Hare Terminal 3, which opened in April

Fleet Transformation: Younger, More Efficient Fleet

- Our aggressive aircraft replacement program since the merger has given us the youngest fleet of the major airlines, as well as the highest asset values



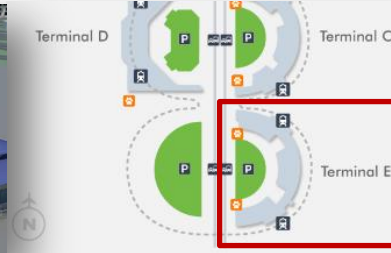
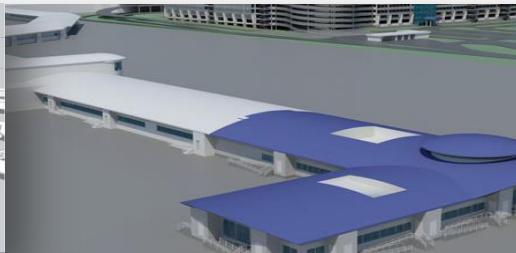
Source: Company filings and Ascend data

Network Transformation: Growth at Our Hubs



More flights at our highest margin hubs drives future earnings growth

- Access to new gates at terminal E in DFW airport will allow American to add up to 100 more flights a day
- Construction at Charlotte will allow American to add up to 75 additional daily departures



Product Enhancements: Widebody Retrofits



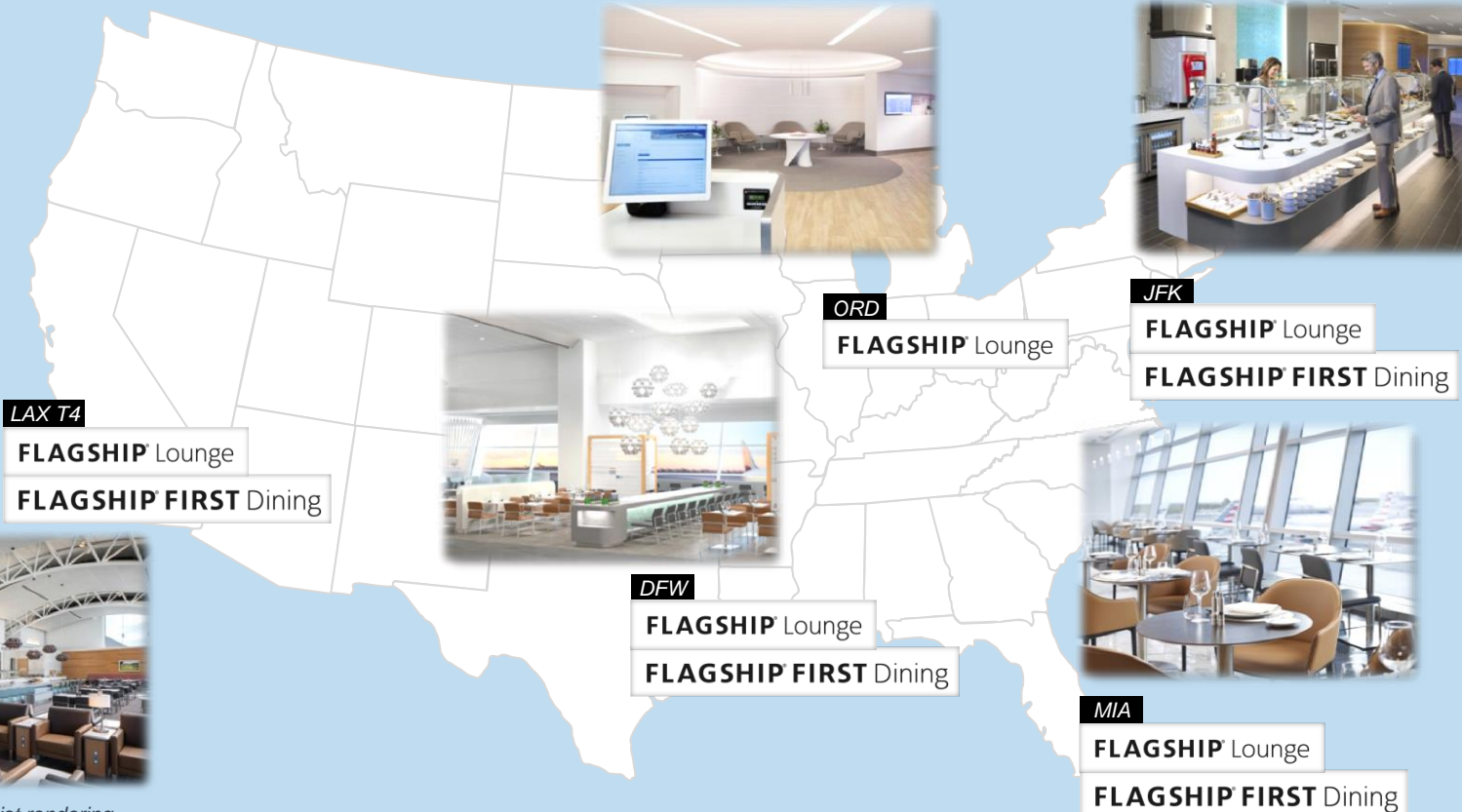
All Lie-flat Widebodies



Premium Economy Retrofits



Product Enhancements: New Flagship Lounges

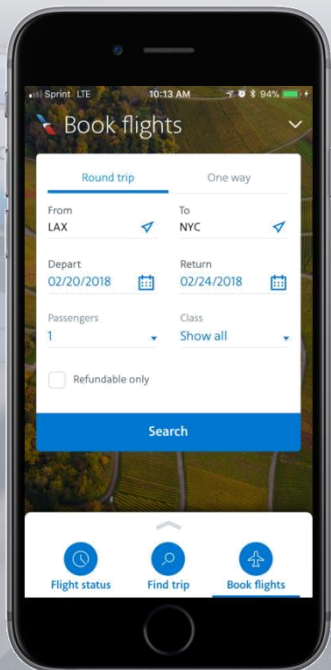


DFW lounge is an artist rendering

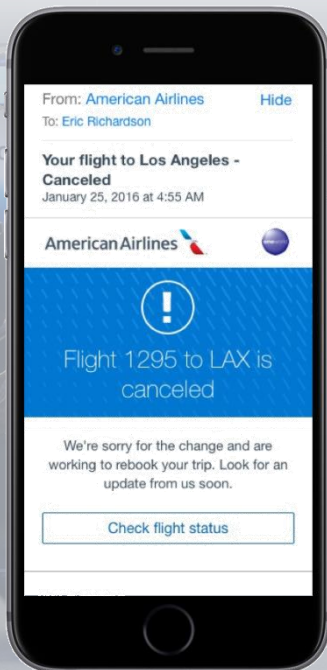
Product Enhancements: Self-Service Tools



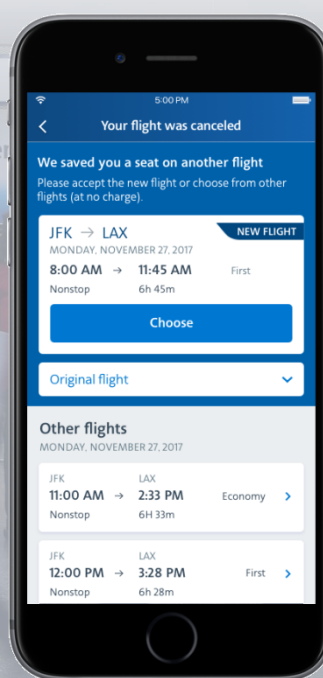
Book on App



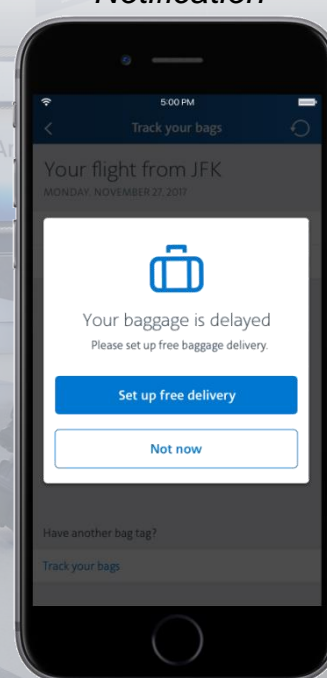
Notify All



Dynamic Rebooking



Customer Bag Notification



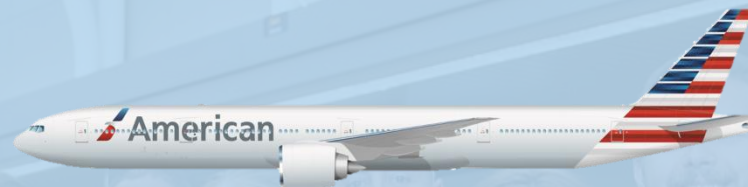
Product Enhancements: Commercial Initiatives



American Airlines
AAdvantage

- Gold**
25k EQMs or 30 EQSs + \$3k EODs
- Platinum**
50k EQMs or 60 EQSs + \$6k EODs
- Platinum Pro**
75k EQMs or 90 EQSs + \$9k EODs
- Executive Platinum**
100k EQMs or 120 EQSs + \$12k EODs
- ConciergeKey**
Invite Only

Value Based AAdvantage Program



Flagship First	Flagship Business	First & Business	Premium Economy	Main Cabin Extra	Main Cabin	Basic Economy
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Enhanced Revenue Management Tools



Increased Focus on Sales

Product Enhancements: Satellite WiFi



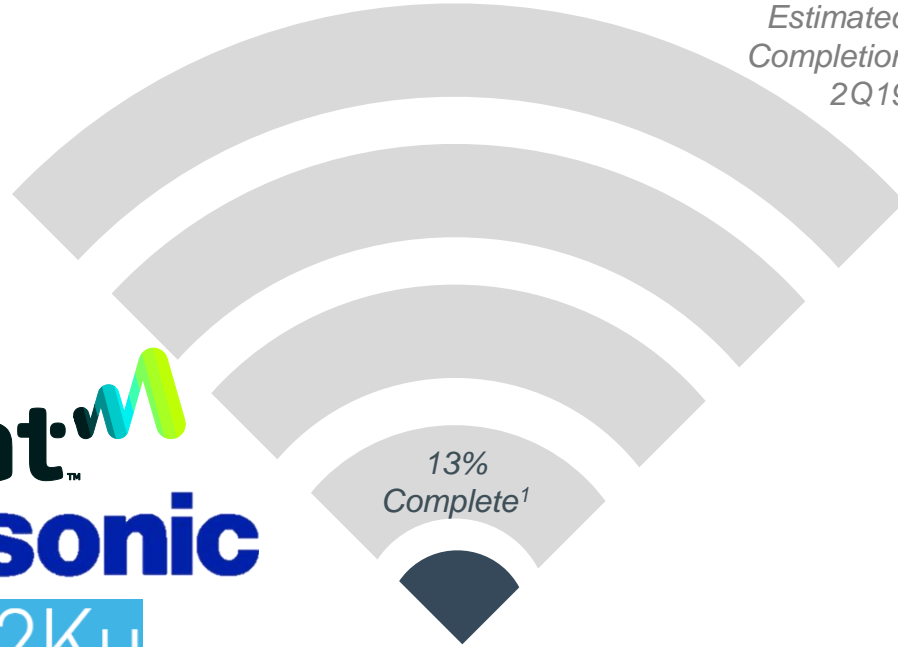
Widebody Installation Progress

Narrowbody Installation Progress

Estimated
Completion
2Q18



Estimated
Completion
2Q19



2017 Investor Day Initiatives Remain On Track



We continue to expect to benefit from initiatives worth \$3.9 billion by 2021

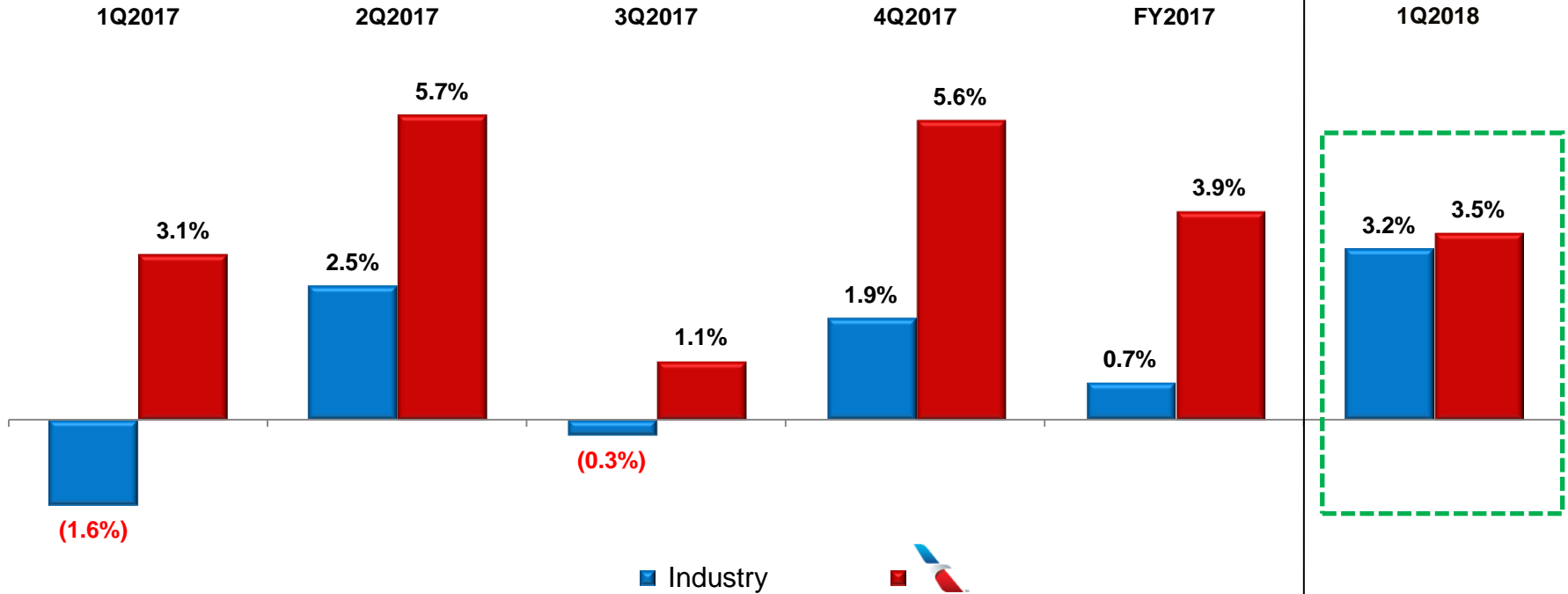
- At our investor day in September, we outlined \$2.9 billion in revenue and \$1.0 billion in cost opportunities by 2021
- We estimated that \$1.35 billion of these would be achieved from revenue initiatives in 2018 and these remain on track
 - Major revenue initiatives for 2018 include the rollout of basic and premium economy and revenue management changes
- We also guided to \$200 million in cost reductions in 2018. We now believe that we will achieve \$250 million by year-end



Revenue Improvement



YOY TRASM vs Industry¹

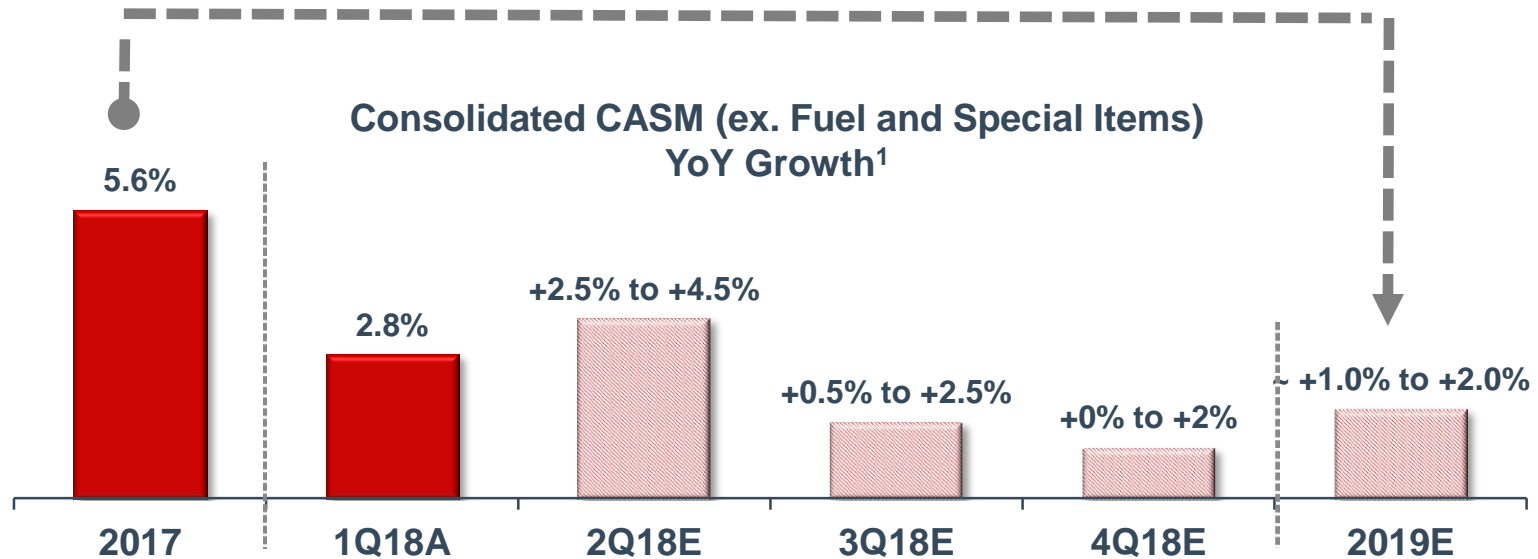


^{1/} On January 1, 2018, the Company adopted the New Revenue Standard. The 2017 data presented above for the Company and the industry does not reflect the effects of adopting the New Revenue Standard. For additional information, see Note 1(b) to the Company's Condensed Consolidated Financial Statements in Part I, Item 1A of its first quarter 2018 Form 10-Q. Industry includes Delta, United, Southwest, Alaska, Jet Blue and Spirit.

Cost Growth is Trending Lower



- Consolidated CASM growth is expected to be up approximately 2 percent in 2018 and 2019



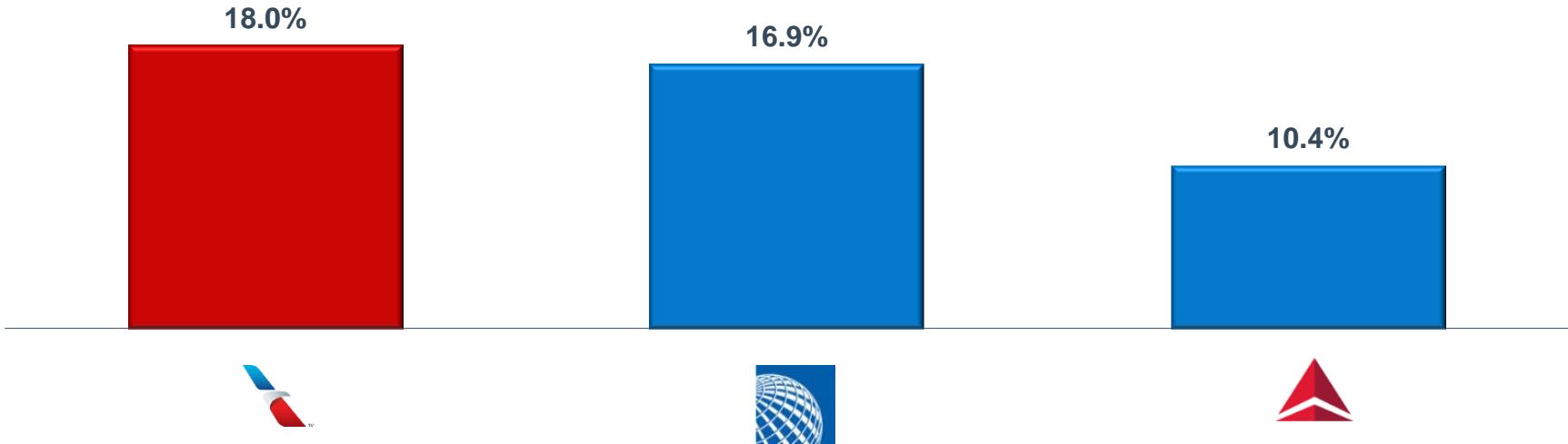
^{1/} On January 1, 2018, the Company adopted two new accounting standards: the New Revenue Standard and ASU 2017-07: Compensation Retirement Benefits (the "New Retirement Standard"). The 2017 data presented above does not reflect the effects of adopting the New Revenue Standard and the New Retirement Standard. For additional information, see Note 1(b) to the Company's Condensed Consolidated Financial Statements in Part I, Item 1A of its first quarter 2018 Form 10-Q. Excludes net special items. Please refer to the Company's GAAP to Non-GAAP reconciliation in the appendix. Forecast data excludes the impact of special items and any potential increases from new joint bargaining agreements

Best Liquidity Amongst Network Airlines



- American continues to maintain the highest liquidity level of the network airlines

1Q18 Total Available Liquidity¹
As a Percentage of LTM Revenues

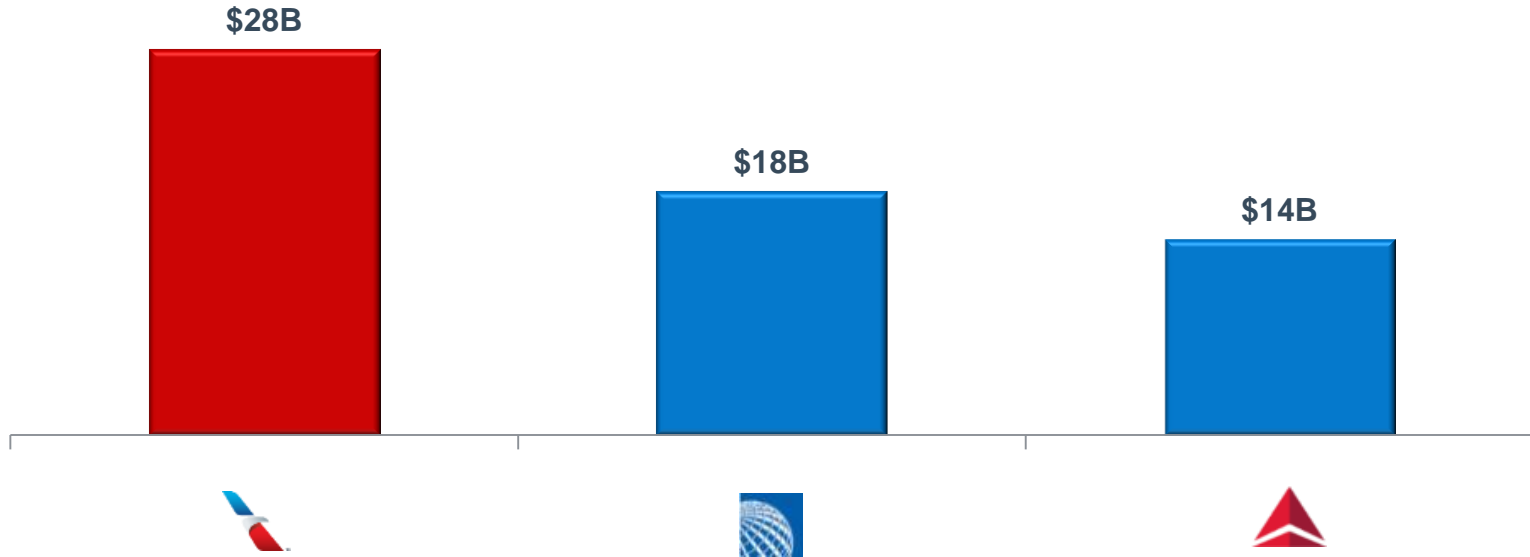


^{1/} Total liquidity consists of unrestricted cash and short term investments, plus available undrawn revolving credit facilities. On January 1, 2018, the Company adopted the New Revenue Standard. The data presented above for the Company and other airlines reflects the effects of adopting the New Revenue Standard. For additional information, see Note 1(b) to the Company's Condensed Consolidated Financial Statements in Part I, Item 1A of its first quarter 2018 Form 10-Q.

Fleet Investments Drive Higher Asset Values



1Q18 Mainline Fleet Values¹



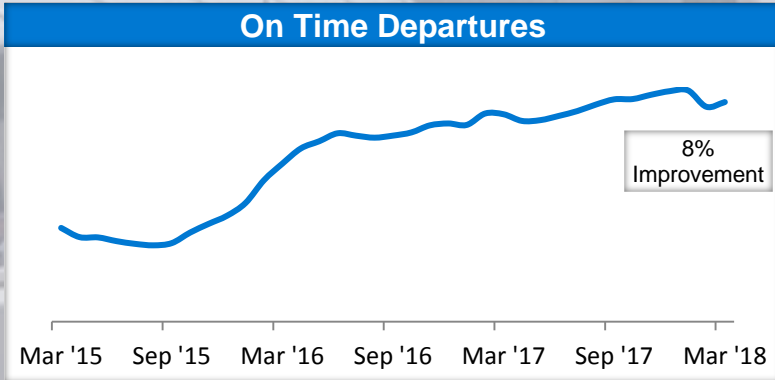
^{1/} Data estimated from Diio and MBA Redbook values

Operational Performance

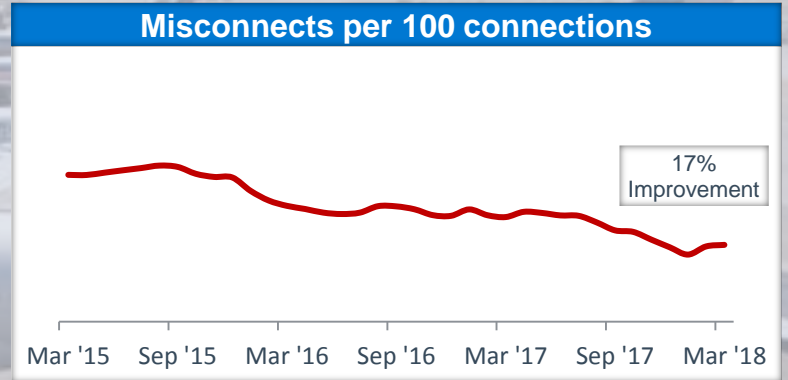


Trailing twelve month averages

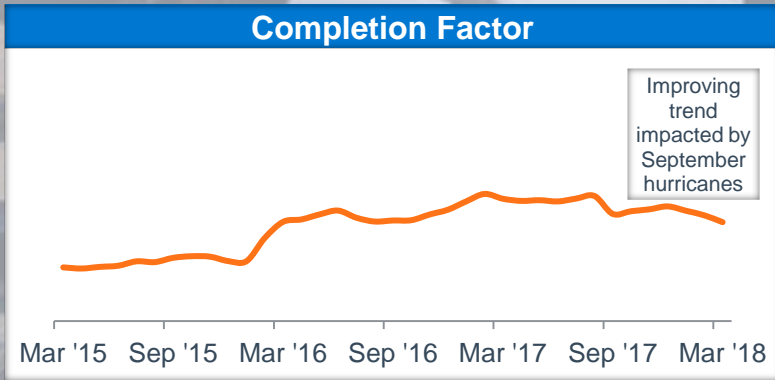
On Time Departures



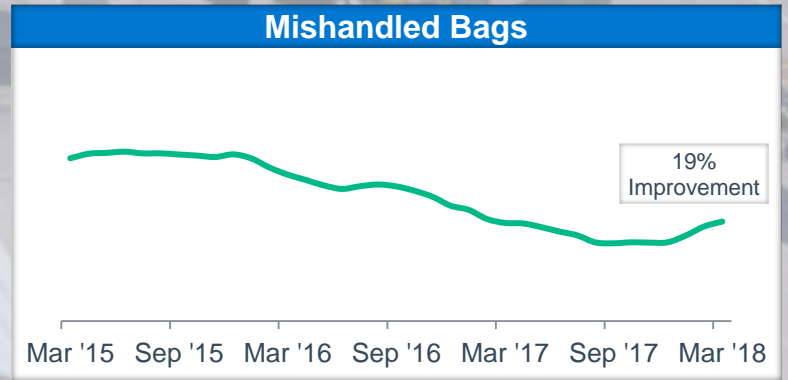
Misconnects per 100 connections



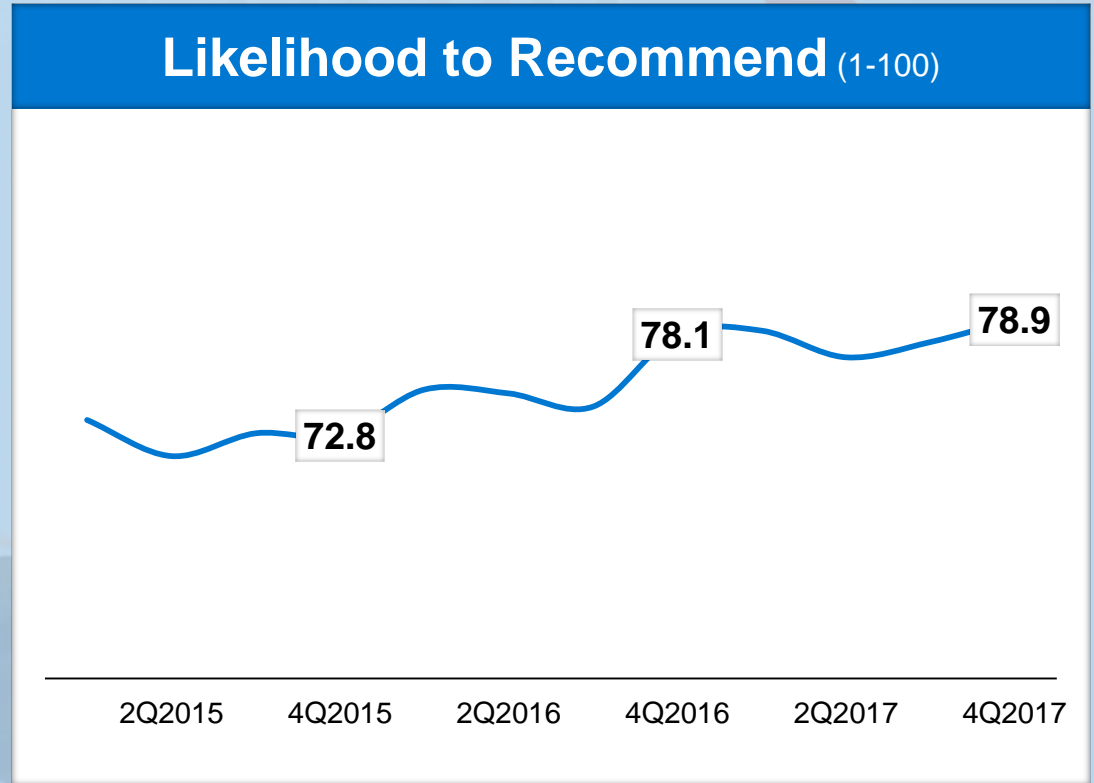
Completion Factor



Mishandled Bags



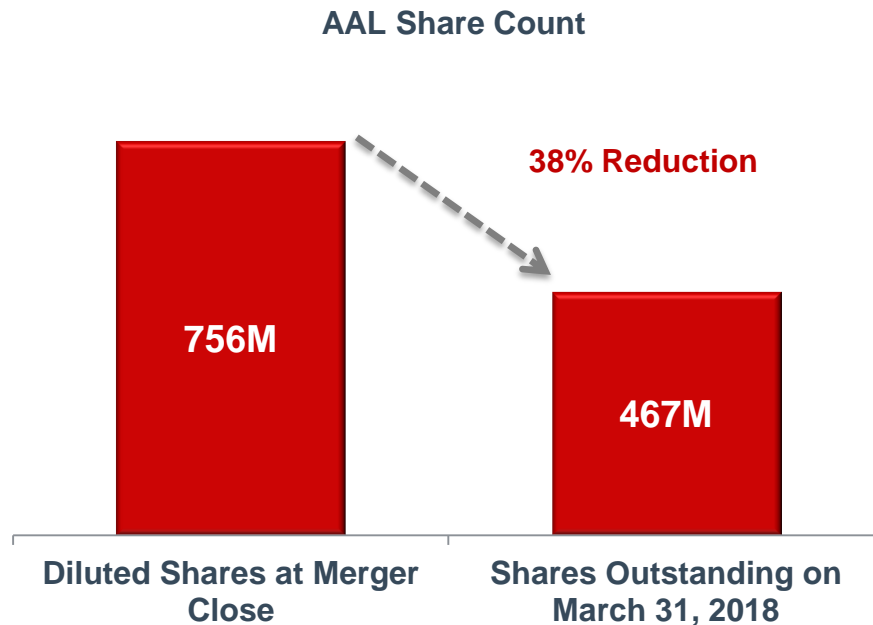
Customer Satisfaction



Returning Value To Shareholders



- After:
 - Unprecedented investment in product, team, operation, automation, etc.
 - Elimination of high-cost debt
 - Ensuring industry-leading cash balances
- American returns capital to shareholders
 - Over \$11.0 billion of share repurchases since 3Q 2014
 - Paid over \$890 million in dividends since 3Q 2014



Looking Forward – Playing the Long Game



- The investments we have made are working...
 - Six consecutive quarters of positive unit revenue growth, record first quarter revenue
 - Youngest fleet of the big four airlines
 - Transformed customer experience
 - Successful roll out of Basic and Premium Economy, with more to come
- AAL well positioned for long-term success
 - We will continue our aggressive pursuit of revenue and cost initiatives
 - Revenues expected to continue to improve due to product, network, fleet and operational improvements
 - We will continue to play the long game and invest for the future

GAAP to Non-GAAP Reconciliations



GAAP to non-GAAP Reconciliations



Reconciliation of Pre-Tax Income Excluding Special Items	12 Months Ended December 31, 2017 (in millions)
Pre-tax income as reported	\$ 3,084
Pre-tax special items:	
Special items, net	712
Regional operating special items, net	22
Nonoperating special items, net	<u>22</u>
Total pre-tax special items	756
Pre-tax income excluding special items	\$ 3,840
 Calculation of Pre-Tax Margin	
Pre-tax income as reported	\$ 3,084
Total operating revenues as reported	\$ 42,207
Pre-tax margin	7.3%
 Calculation of Pre-Tax Margin Excluding Special Items	
Pre-tax income excluding special items	\$ 3,840
Total operating revenues as reported	\$ 42,207
Pre-tax margin excluding special items	9.1%

Note: On January 1, 2018, the Company adopted the New Revenue Standard. The full year 2017 data presented above does not reflect the effects of adopting the New Revenue Standard. For additional information, see Note 1(b) to the Company's Condensed Consolidated Financial Statements in Part I, Item 1A of its first quarter 2018 Form 10-Q.

GAAP to non-GAAP Reconciliations



Reconciliation of Total Operating Cost per ASM Excluding Special Items and Fuel	12 Months Ended December 31,		3 Months Ended March 31,	
	2017	2016	2018	2017
	(in cents)		(in cents)	
Total operating expenses per ASM as reported	13.80	12.76	15.15	14.12
Special items per ASM:				
Total operating special items, net	<u>(0.27)</u>	<u>(0.27)</u>	<u>(0.30)</u>	<u>(0.18)</u>
Total operating expenses per ASM, excluding special items	13.53	12.50	14.85	13.93
Fuel per ASM:				
Aircraft fuel and related taxes - mainline	(2.22)	(1.85)	(2.68)	(2.18)
Aircraft fuel and related taxes - regional	<u>(0.50)</u>	<u>(0.41)</u>	<u>(0.60)</u>	<u>(0.49)</u>
Total operating expenses per ASM, excluding special items and fuel	10.82	10.24	11.57	11.25

Amounts may not recalculate due to rounding.

Note: On January 1, 2018, the Company adopted the New Revenue Standard and the New Retirement Standard. The first quarter 2017 data presented above reflects the effects of adopting the New Revenue Standard and the New Retirement Standard. The full year 2017 and 2016 data presented above does not reflect the effects of adopting the New Revenue Standard and the New Retirement Standard. For additional information, see Note 1(b) to the Company's Condensed Consolidated Financial Statements in Part I, Item 1A of its first quarter 2018 Form 10-Q.