

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

	3 Months Ended March 31,		Percent Change
	2020	2019	
Operating revenues:			
Passenger	\$ 7,681	\$ 9,658	(20.5)
Cargo	147	218	(32.7)
Other	<u>687</u>	<u>708</u>	(2.9)
Total operating revenues	8,515	10,584	(19.6)
Operating expenses:			
Aircraft fuel and related taxes	1,395	1,726	(19.2)
Salaries, wages and benefits	3,140	3,090	1.6
Regional expenses:			
Fuel	389	423	(8.1)
Depreciation and amortization	83	79	5.7
Other	1,452	1,261	15.2
Maintenance, materials and repairs	629	561	12.1
Other rent and landing fees	468	503	(7.1)
Aircraft rent	334	327	2.4
Selling expenses	305	370	(17.7)
Depreciation and amortization	560	480	16.7
Special items, net	1,132	138	nm <sup>(1)</sup>
Other	<u>1,177</u>	<u>1,251</u>	(5.9)
Total operating expenses	<u>11,064</u>	<u>10,209</u>	8.4
Operating income (loss)	(2,549)	375	nm
Nonoperating income (expense):			
Interest income	21	33	(35.8)
Interest expense, net	(257)	(271)	(5.0)
Other income (expense), net	<u>(105)</u>	<u>108</u>	nm
Total nonoperating expense, net	<u>(341)</u>	<u>(130)</u>	nm
Income (loss) before income taxes	(2,890)	245	nm
Income tax provision (benefit)	<u>(649)</u>	<u>60</u>	nm
Net income (loss)	<u>\$ (2,241)</u>	<u>\$ 185</u>	nm
Earnings (loss) per common share:			
Basic	<u>\$ (5.26)</u>	<u>\$ 0.41</u>	
Diluted	<u>\$ (5.26)</u>	<u>\$ 0.41</u>	
Weighted average shares outstanding (in thousands):			
Basic	<u>425,713</u>	<u>451,951</u>	
Diluted	<u>425,713</u>	<u>453,429</u>	

**Note: Percent change may not recalculate due to rounding.**

<sup>(1)</sup> Not meaningful.

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

	3 Months Ended March 31,		Change
	2020	2019	
<b><u>Mainline</u></b>			
Revenue passenger miles (millions)	39,313	48,481	(18.9) %
Available seat miles (ASM) (millions)	53,189	58,323	(8.8) %
Passenger load factor (percent)	73.9	83.1	(9.2) pts
Passenger enplanements (thousands)	30,353	36,546	(16.9) %
Departures (thousands)	253	271	(6.7) %
Aircraft at end of period	942	962	(2.1) %
Block hours (thousands)	759	835	(9.2) %
Average stage length (miles)	1,153	1,178	(2.2) %
Fuel consumption (gallons in millions)	763	853	(10.5) %
Average aircraft fuel price including related taxes (dollars per gallon)	1.83	2.02	(9.7) %
Full-time equivalent employees at end of period	104,400	103,500	0.9 %
<b><u>Regional</u></b> <sup>(1)</sup>			
Revenue passenger miles (millions)	5,858	6,321	(7.3) %
Available seat miles (millions)	8,910	8,351	6.7 %
Passenger load factor (percent)	65.7	75.7	(10.0) pts
Passenger enplanements (thousands)	11,848	13,389	(11.5) %
Aircraft at end of period	542	602	(10.0) %
Fuel consumption (gallons in millions)	209	200	4.5 %
Average aircraft fuel price including related taxes (dollars per gallon)	1.86	2.12	(12.1) %
Full-time equivalent employees at end of period <sup>(2)</sup>	27,100	26,300	3.0 %
<b><u>Total Mainline &amp; Regional</u></b>			
Revenue passenger miles (millions)	45,171	54,802	(17.6) %
Available seat miles (millions)	62,099	66,674	(6.9) %
Passenger load factor (percent)	72.7	82.2	(9.5) pts
Yield (cents)	17.00	17.62	(3.5) %
Passenger revenue per ASM (cents)	12.37	14.49	(14.6) %
Total revenue per ASM (cents)	13.71	15.87	(13.6) %
Cargo ton miles (millions)	436	624	(30.2) %
Cargo yield per ton mile (cents)	33.62	34.86	(3.5) %
Passenger enplanements (thousands)	42,201	49,935	(15.5) %
Aircraft at end of period <sup>(3)</sup>	1,484	1,564	(5.1) %
Fuel consumption (gallons in millions)	972	1,053	(7.6) %
Average aircraft fuel price including related taxes (dollars per gallon)	1.83	2.04	(10.1) %
Full-time equivalent employees at end of period	131,500	129,800	1.3 %
Operating cost per ASM (cents)	17.82	15.31	16.3 %
Operating cost per ASM excluding net special items (cents)	15.84	15.11	4.9 %
Operating cost per ASM excluding net special items and fuel (cents)	12.97	11.88	9.2 %

<sup>(1)</sup> Regional includes wholly-owned regional airline subsidiaries and operating results from capacity purchase carriers.

<sup>(2)</sup> Regional full-time equivalent employees only include our wholly-owned regional airline subsidiaries.

<sup>(3)</sup> Includes aircraft owned and leased by American as well as aircraft operated by third-party regional carriers under capacity purchase agreements. Excludes 49 regional aircraft that are in temporary storage as follows: 17 Embraer 145, 15 Embraer 175, nine Embraer 140 and eight Bombardier CRJ200 aircraft.

**Note: Amounts may not recalculate due to rounding.**

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

	3 Months Ended		Change
	2020	2019	
<b><u>Domestic</u></b> <sup>(1)</sup>			
Revenue passenger miles (millions)	31,856	37,717	(15.5) %
Available seat miles (ASM) (millions)	44,238	45,282	(2.3) %
Passenger load factor (percent)	72.0	83.3	(11.3) pts
Passenger revenue (dollars in millions)	5,780	7,226	(20.0) %
Yield (cents)	18.14	19.16	(5.3) %
Passenger revenue per ASM (cents)	13.07	15.96	(18.1) %
<b><u>Latin America</u></b> <sup>(2)</sup>			
Revenue passenger miles (millions)	7,116	8,351	(14.8) %
Available seat miles (millions)	9,068	10,208	(11.2) %
Passenger load factor (percent)	78.5	81.8	(3.3) pts
Passenger revenue (dollars in millions)	1,180	1,371	(14.0) %
Yield (cents)	16.57	16.42	0.9 %
Passenger revenue per ASM (cents)	13.01	13.43	(3.2) %
<b><u>Atlantic</u></b>			
Revenue passenger miles (millions)	4,185	5,042	(17.0) %
Available seat miles (millions)	6,239	6,825	(8.6) %
Passenger load factor (percent)	67.1	73.9	(6.8) pts
Passenger revenue (dollars in millions)	523	673	(22.3) %
Yield (cents)	12.50	13.35	(6.4) %
Passenger revenue per ASM (cents)	8.39	9.86	(15.0) %
<b><u>Pacific</u></b>			
Revenue passenger miles (millions)	2,014	3,692	(45.5) %
Available seat miles (millions)	2,554	4,359	(41.4) %
Passenger load factor (percent)	78.8	84.7	(5.9) pts
Passenger revenue (dollars in millions)	198	388	(48.9) %
Yield (cents)	9.84	10.50	(6.3) %
Passenger revenue per ASM (cents)	7.76	8.90	(12.8) %
<b><u>Total International</u></b>			
Revenue passenger miles (millions)	13,315	17,085	(22.1) %
Available seat miles (millions)	17,861	21,392	(16.5) %
Passenger load factor (percent)	74.5	79.9	(5.4) pts
Passenger revenue (dollars in millions)	1,901	2,432	(21.9) %
Yield (cents)	14.28	14.24	0.3 %
Passenger revenue per ASM (cents)	10.64	11.37	(6.4) %

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

<sup>(2)</sup> Latin America results include the Caribbean.

**Note: Amounts may not recalculate due to rounding.**

## 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:

- 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)
- Operating Income (Loss) (GAAP measure) to Operating Income (Loss) 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). Management uses total operating costs 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 aircraft 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 March 31,		Percent Change
	2020	2019	
<b>Reconciliation of Pre-Tax Income (Loss) Excluding Net Special Items</b>			
	(in millions, except per share amounts)		
Pre-tax income (loss) as reported	\$ (2,890)	\$ 245	
Pre-tax net special items:			
Mainline operating special items, net <sup>(1)</sup>	1,132	138	
Regional operating special items, net <sup>(2)</sup>	93	-	
Nonoperating special items, net <sup>(3)</sup>	217	(69)	
Total pre-tax net special items	1,442	69	
Pre-tax income (loss) excluding net special items	\$ (1,448)	\$ 314	nm
<b>Calculation of Pre-Tax Margin</b>			
Pre-tax income (loss) as reported	\$ (2,890)	\$ 245	
Total operating revenues as reported	\$ 8,515	\$ 10,584	
Pre-tax margin	-33.9%	2.3%	
<b>Calculation of Pre-Tax Margin Excluding Net Special Items</b>			
Pre-tax income (loss) excluding net special items	\$ (1,448)	\$ 314	
Total operating revenues as reported	\$ 8,515	\$ 10,584	
Pre-tax margin excluding net special items	-17.0%	3.0%	
<b>Reconciliation of Net Income (Loss) Excluding Net Special Items</b>			
Net income (loss) as reported	\$ (2,241)	\$ 185	
Net special items:			
Total pre-tax net special items <sup>(1), (2), (3)</sup>	1,442	69	
Net tax effect of net special items	(330)	(17)	
Net income (loss) excluding net special items	\$ (1,129)	\$ 237	nm
<b>Reconciliation of Basic and Diluted Earnings (Loss) Per Share Excluding Net Special Items</b>			
Net income (loss) excluding net special items	\$ (1,129)	\$ 237	
Shares used for computation (in thousands):			
Basic	425,713	451,951	
Diluted	425,713	453,429	
Earnings (loss) per share excluding net special items:			
Basic	\$ (2.65)	\$ 0.53	
Diluted	\$ (2.65)	\$ 0.52	

**Reconciliation of GAAP Financial Information to Non-GAAP Financial Information**

<b>Reconciliation of Operating Income (Loss) Excluding Net Special Items</b>	3 Months Ended March 31,	
	2020	2019
	(in millions)	
Operating income (loss) as reported	\$ (2,549)	\$ 375
Operating net special items:		
Mainline operating special items, net <sup>(1)</sup>	1,132	138
Regional operating special items, net <sup>(2)</sup>	<u>93</u>	<u>-</u>
Operating income (loss) excluding net special items	\$ (1,324)	\$ 513
<b>Reconciliation of Total Operating Cost per ASM Excluding Net Special Items and Fuel</b>		
Total operating expenses as reported	\$ 11,064	\$ 10,209
Operating net special items:		
Mainline operating special items, net <sup>(1)</sup>	(1,132)	(138)
Regional operating special items, net <sup>(2)</sup>	<u>(93)</u>	<u>-</u>
Total operating expenses, excluding net special items	9,839	10,071
Fuel:		
Aircraft fuel and related taxes - mainline	(1,395)	(1,726)
Aircraft fuel and related taxes - regional	<u>(389)</u>	<u>(423)</u>
Total operating expenses, excluding net special items and fuel	\$ 8,055	\$ 7,922
	(in cents)	
Total operating expenses per ASM as reported	17.82	15.31
Operating net special items per ASM:		
Mainline operating special items, net <sup>(1)</sup>	(1.82)	(0.21)
Regional operating special items, net <sup>(2)</sup>	<u>(0.15)</u>	<u>-</u>
Total operating expenses per ASM, excluding net special items	15.84	15.11
Fuel per ASM:		
Aircraft fuel and related taxes - mainline	(2.25)	(2.59)
Aircraft fuel and related taxes - regional	<u>(0.63)</u>	<u>(0.63)</u>
Total operating expenses per ASM, excluding net special items and fuel	12.97	11.88

**Note: Amounts may not recalculate due to rounding.**

**FOOTNOTES:**

- <sup>(1)</sup> The 2020 first quarter mainline operating special items, net principally included \$744 million of fleet impairment charges, \$218 million of one-time labor contract expenses resulting from the ratification of a new contract with our maintenance and fleet service team members, including signing bonuses and adjustments to vacation accruals resulting from pay rate increases, and \$205 million of salary and medical costs associated with certain team members who opted in to a voluntary early retirement program.

The fleet impairment charges included a \$676 million non-cash write-down of aircraft and spare parts and \$68 million in write-offs of right-of-use assets and lease return costs associated with our mainline fleet, principally Boeing 757, Boeing 767, Airbus A330-300 and Embraer 190 aircraft, which are being retired earlier than previously planned as a result of the decline in demand for air travel due to COVID-19.

The 2019 first quarter mainline operating special items, net principally included \$83 million of fleet restructuring expenses and \$37 million of merger integration expenses.

- <sup>(2)</sup> The 2020 first quarter regional operating special items, net primarily included an \$88 million non-cash write-down of regional aircraft, principally certain Embraer 140 and certain Bombardier CRJ200 aircraft, which are being retired earlier than previously planned as a result of the decline in demand for air travel due to COVID-19.

- <sup>(3)</sup> Principally included mark-to-market net unrealized gains and losses associated with certain equity investments and treasury rate lock derivative instruments.

**American Airlines Group Inc.**  
**Condensed Consolidated Balance Sheets**  
(In millions)

	<u>March 31, 2020</u> (unaudited)	<u>December 31, 2019</u>
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 474	\$ 280
Short-term investments	3,102	3,546
Restricted cash and short-term investments	157	158
Accounts receivable, net	1,020	1,750
Aircraft fuel, spare parts and supplies, net	1,772	1,851
Prepaid expenses and other	<u>650</u>	<u>621</u>
Total current assets	7,175	8,206
<b>Operating property and equipment</b>		
Flight equipment	39,305	42,537
Ground property and equipment	9,602	9,443
Equipment purchase deposits	<u>1,740</u>	<u>1,674</u>
Total property and equipment, at cost	50,647	53,654
Less accumulated depreciation and amortization	<u>(16,441)</u>	<u>(18,659)</u>
Total property and equipment, net	34,206	34,995
Operating lease right-of-use assets	8,619	8,737
<b>Other assets</b>		
Goodwill	4,091	4,091
Intangibles, net	2,059	2,084
Deferred tax asset	1,237	645
Other assets	<u>1,193</u>	<u>1,237</u>
Total other assets	<u>8,580</u>	<u>8,057</u>
<b>Total assets</b>	<u><u>\$ 58,580</u></u>	<u><u>\$ 59,995</u></u>
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
<b>Current liabilities</b>		
Current maturities of long-term debt and finance leases	\$ 3,518	\$ 2,861
Accounts payable	1,648	2,062
Accrued salaries and wages	1,633	1,541
Air traffic liability	5,473	4,808
Loyalty program liability	3,094	3,193
Operating lease liabilities	1,752	1,708
Other accrued liabilities	<u>2,095</u>	<u>2,138</u>
Total current liabilities	19,213	18,311
<b>Noncurrent liabilities</b>		
Long-term debt and finance leases, net of current maturities	21,564	21,454
Pension and postretirement benefits	6,107	6,052
Loyalty program liability	5,757	5,422
Operating lease liabilities	7,239	7,421
Other liabilities	<u>1,336</u>	<u>1,453</u>
Total noncurrent liabilities	42,003	41,802
<b>Stockholders' equity (deficit)</b>		
Common stock	4	4
Additional paid-in capital	3,861	3,945
Accumulated other comprehensive loss	(6,480)	(6,331)
Retained earnings (deficit)	<u>(21)</u>	<u>2,264</u>
Total stockholders' deficit	<u>(2,636)</u>	<u>(118)</u>
<b>Total liabilities and stockholders' equity (deficit)</b>	<u><u>\$ 58,580</u></u>	<u><u>\$ 59,995</u></u>

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

	3 Months Ended March 31,	
	2020	2019
<b>Net cash provided by (used in) operating activities</b>	\$ (168)	\$ 1,651
<b>Cash flows from investing activities:</b>		
Capital expenditures and aircraft purchase deposits	(845)	(1,305)
Proceeds from sale-leaseback transactions	280	352
Proceeds from sale of property and equipment	35	7
Purchases of short-term investments	(820)	(570)
Sales of short-term investments	1,237	1,051
Other investing activities	(49)	(15)
Net cash used in investing activities	(162)	(480)
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of long-term debt	1,698	400
Payments on long-term debt and finance leases	(926)	(849)
Deferred financing costs	(31)	(6)
Treasury stock repurchases	(171)	(608)
Dividend payments	(43)	(46)
Other financing activities	(1)	-
Net cash provided by (used in) financing activities	526	(1,109)
Net increase in cash and restricted cash	196	62
Cash and restricted cash at beginning of period	290	286
Cash and restricted cash at end of period <sup>(1)</sup>	\$ 486	\$ 348

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

Cash	\$ 474	\$ 337
Restricted cash included in restricted cash and short-term investments	12	11
Total cash and restricted cash	\$ 486	\$ 348