

2020 Financial Results

A. Operating Revenues



1. Passenger revenue

Revenue from air transportation, as well as revenue associated with AAdvantage mileage credit redemptions and ancillary fees

+



2. Cargo revenue

Revenue from transporting mail and freight

+



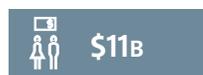
3. Other revenue

Includes the AAdvantage affinity card program and other partners and airport lounges

\$17.3B

A. Total Operating Revenues

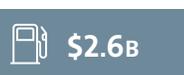
B. Operating Expenses



4. Salaries, wages and benefits

Pay and benefits

+



5. Fuel and related taxes

Jet fuel and associated taxes

+



6. Regional expenses

The cost of regional wholly owned and contract carriers, including fuel and \$309 million in net special credits primarily related to the Payroll Support Program (PSP) financial assistance

+



7. Maintenance expenses

The cost to maintain our fleet

+



8. Other rent and landing fees

Rent for airport facilities and landing fees

\$27.8B

B. Total Operating Expenses



9. Depreciation and amortization

The cost of using aircraft, spare parts and ground equipment that is expensed over the life of the asset

+



10. Selling expenses

Credit card fees, global distribution system fees, commissions and advertising

+



11. Aircraft rent

The cost of leasing aircraft

+



12. Special items, net

Includes a credit for PSP financial assistance, offset in part by charges related to retiring certain aircraft as well as certain team member voluntary early outs

+



13. Other expenses

Includes costs such as crew hotels, catering and ground handling

-\$10.4B

C. Total Operating Loss (A - B)

D. Total Nonoperating Expenses, Net

Includes items such as interest expense and income, pension and other post-retirement benefit plan income and costs. Also includes \$170 million in net special items primarily related to mark-to-market net unrealized losses associated with certain equity investments and treasury rate lock derivative instruments.

-\$1B

E. Pre-tax Loss (C + D)

-\$11.5B

F. Subtract: Total Pre-tax Net Special Items

Includes \$657 million of mainline operating net special credits (No. 12), \$309 million of regional operating net special credits (No. 6) and \$170 million of nonoperating net special items (D).

-\$796M

*G. Pre-tax Loss, Excluding Net Special Items (E + F)

-\$12.2B

*H. Income Tax Benefit (G x 22%)

We recorded a benefit for income taxes at an effective rate of approximately 22%, which was substantially noncash.

\$2.7B

*I. Net Loss, Excluding Net Special Items (G + H)

-\$9.5B

(or -\$19.66 per diluted share)

J. GAAP Net Loss

-\$8.9B¹

(or -\$18.36 per diluted share)

*We use pre-tax loss and net loss excluding net special items (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. We believe 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.

Note: Amounts may not recalculate due to rounding.

¹Reconciliation to GAAP Net Loss:

E. Pre-tax Loss	-\$11.5B
K. Income Tax Benefit (E x 22%)	\$2.6B
J. GAAP Net Loss (E + K)	-\$8.9B