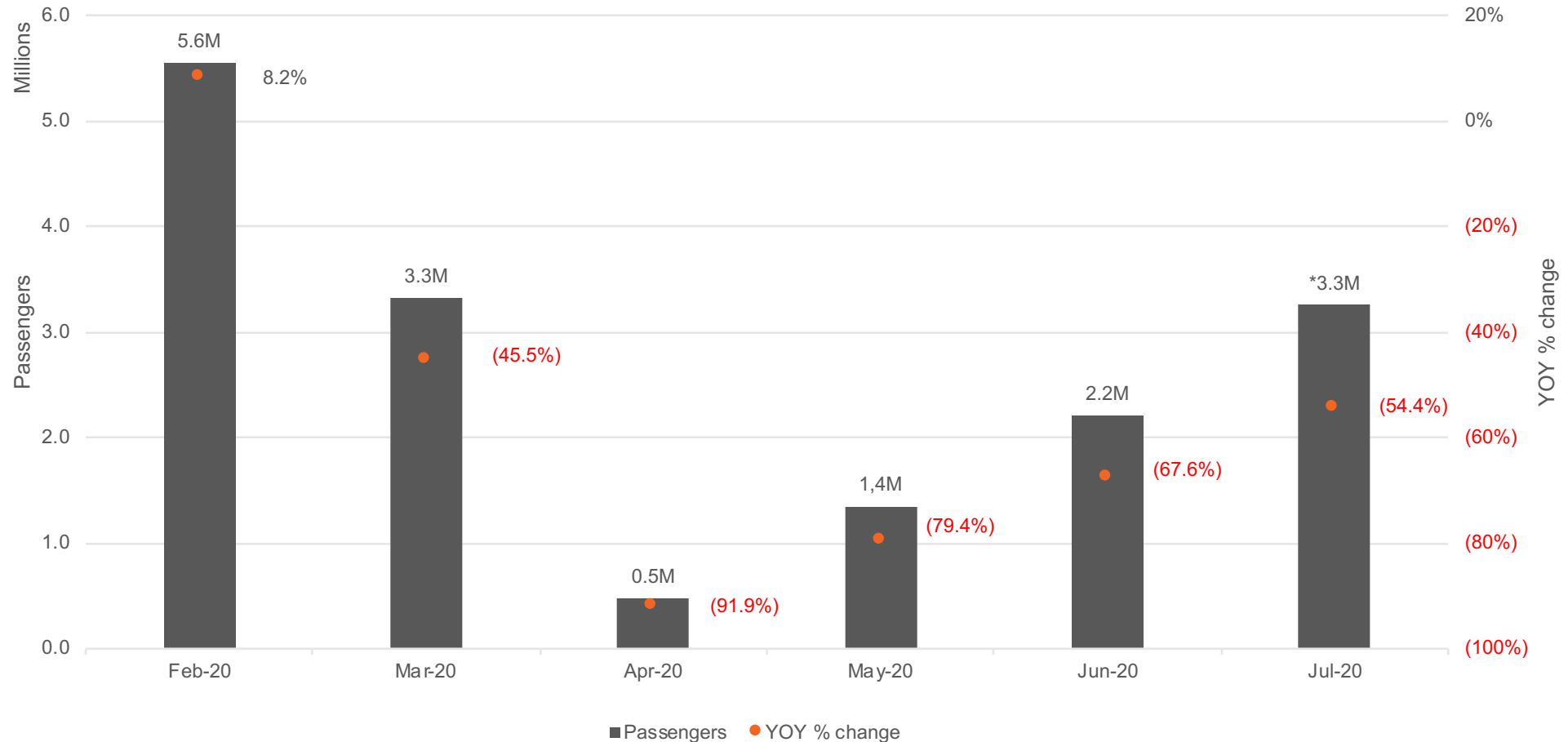

Air Service Update June 2020



Passenger volumes have increased since bottoming in April, but post- Labor Day performance is uncertain

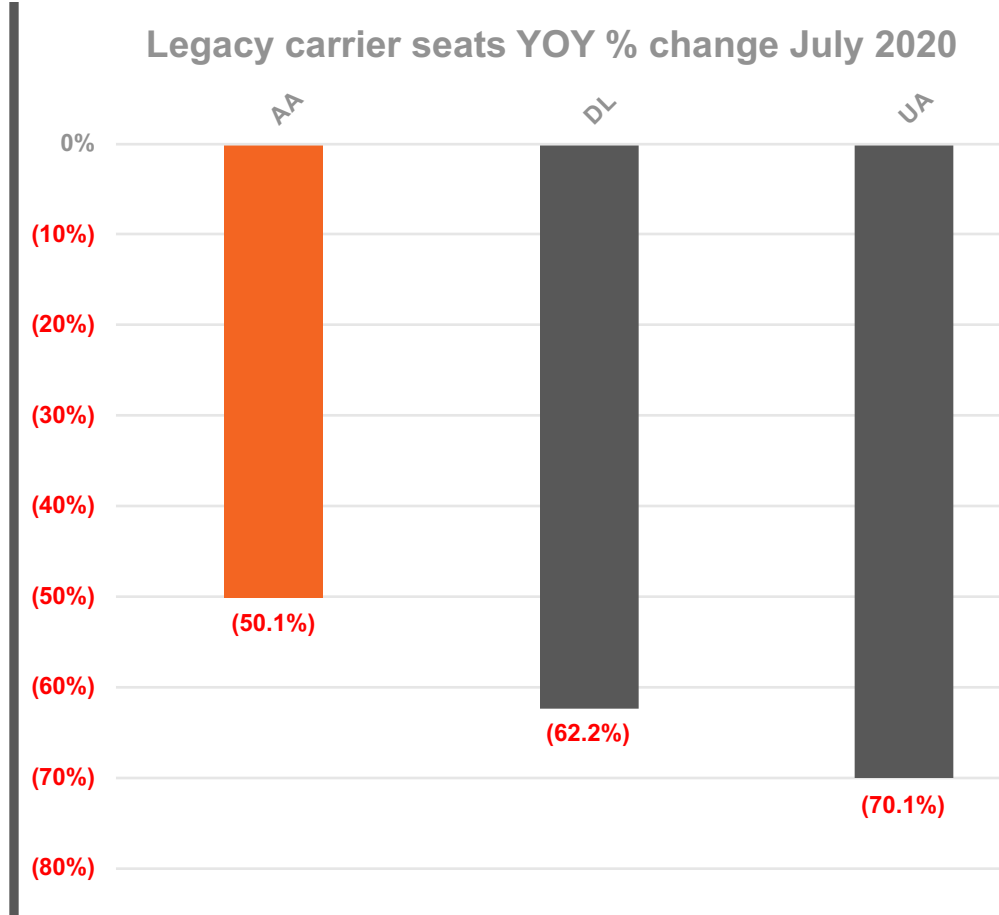
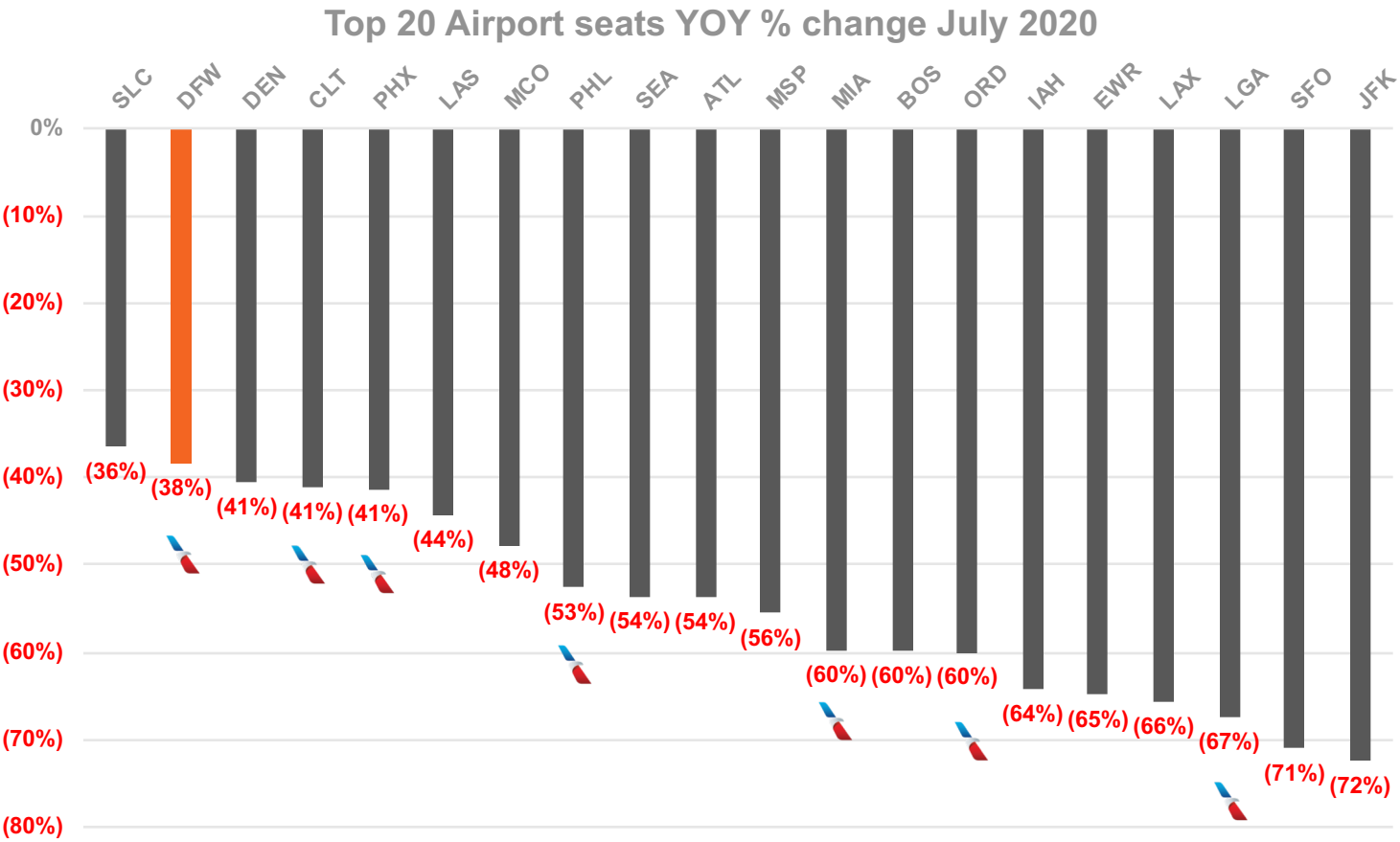
DFW Passengers



Source: Internal Statistics
*July-20 based on internal projections



DFW has retained more capacity than any other AA hub

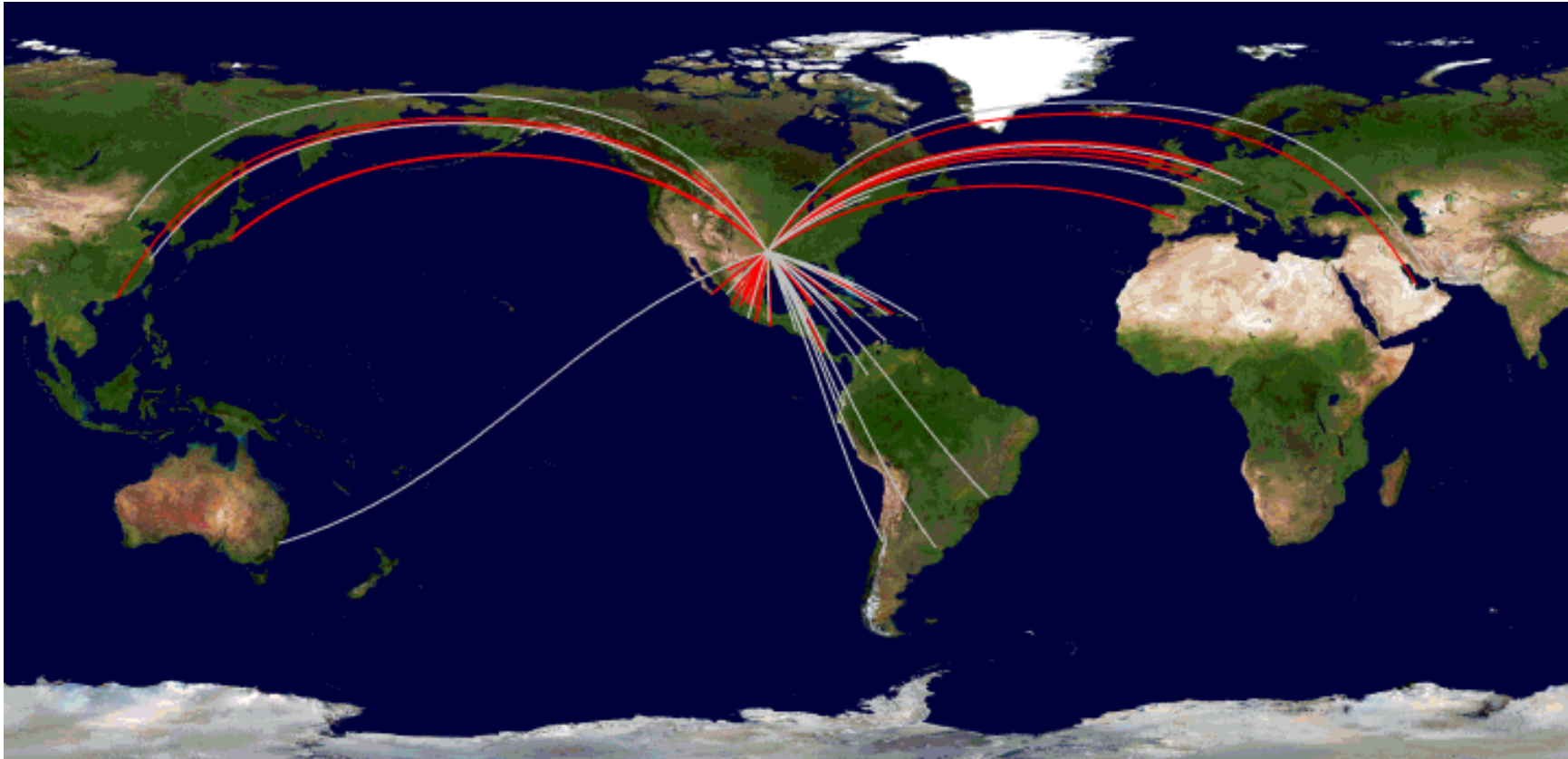


Source: Diio.mi Schedules as of 7/22/2020
 Top 20 Airports based on final ACI 2018 total passengers



36 of 65 international destinations are currently being served

Volatile demand and rapidly changing geopolitical travel restrictions will likely drive additional schedule changes



Flying in July 2020

Not currently flying

Source: Diio.mi Schedules as of 7/27/2020

Notes: Flying July 2020: 36 Scheduled to resume: 24

Not scheduled: 5

Post-Labor day expectations

- Summer leisure travel has been stronger than expected, but is starting to soften due to the increase in COVID-19 cases
- Post-labor day typically heralds return of business traffic as leisure traffic declines
- Fall 2020 will be challenging because large corporations have indicated they will significantly restrict travel
- Business travelers are a disproportionate share of airline revenue, so this will place additional downward pressure on margins, and airlines are likely to reduce capacity as a result

“Airlines may face a tough fall after that summer uptick” – *The Points Guy* (June 17, 2020)

“Business travel may lag for 12 to 18 months” – *Ed Bastian, Delta CEO* (July 14, 2020)

“The current environment is more unpredictable and more volatile than anything we ever could have imagined” – *Doug Parker, American Airlines CEO* (employee note)

“Our best guess is demand, as measured by revenue, will recover over time to be down approximately 50% and then plateau at that level until a vaccine is widely distributed.” – *Executive Vice President and Chief Commercial Officer of United Airlines, Andrew Nocella* (July 22, 2020)

Questions?

