

Risk Factors Comparison 2025-02-19 to 2024-02-21 Form: 10-K

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Downturns in economic conditions could adversely affect our business. • We will need to obtain sufficient financing or other capital to operate successfully. • Our high level of debt and other obligations may limit our ability to fund general corporate requirements and obtain additional financing, may limit our flexibility in responding to competitive developments and may cause our business to be vulnerable to adverse economic and industry conditions. • We have significant pension and other postretirement benefit funding obligations, ~~which may adversely affect our liquidity, results of operations and financial condition.~~ • If our financial condition worsens, provisions in our credit card processing and other commercial agreements may adversely affect our liquidity. • The loss of key personnel ~~upon whom~~ **who** we depend **on** to operate our business, ~~or the inability to attract, develop and retain additional qualified personnel could adversely affect our business.~~ • Our business has been and will continue to be materially affected by many changing economic, geopolitical, commercial, regulatory and other conditions beyond our control, including global events that affect travel behavior, ~~and our results of operations could be volatile and fluctuate materially due to changes in such conditions.~~ • The airline industry is intensely competitive and dynamic. • Union disputes, employee strikes and other labor- related disruptions may adversely affect our operations and financial performance. • If we encounter problems with any of our third- party regional operators or third- party service providers, our operations could be adversely affected by a resulting decline in revenue or negative public perception about our services. • Any damage to our reputation or brand image could adversely affect our business or financial results. • **Risks of losses and adverse publicity from any public incidents involving our company, people or brand.** • Changes to our business model that are designed to increase revenues **and reduce costs** may not be successful and may cause operational difficulties or decreased demand. • Our intellectual property rights, particularly our branding rights, are valuable, and any inability to protect them may adversely affect our business and financial results. • We may be a party to litigation in the normal course of business or otherwise, which could affect our financial position and liquidity. • Our ability to utilize our NOLs and other carryforwards may be limited, **and any new U. S. and international tax legislation may adversely affect our financial condition, results of operations and cash flows.** • We have a significant amount of goodwill, which is assessed for impairment at least annually. ~~We~~ **In addition, we** may never realize the full value of our intangible ~~assets~~ or long- lived assets, causing us to record material impairment charges. • The commercial relationships that we have with other companies, including any related equity investments, may not produce the returns or results we expect. • Our business is very dependent on the price and availability of aircraft fuel. Continued periods of high volatility in fuel costs, increased fuel prices or significant disruptions in the supply of aircraft fuel could have a significant negative impact on consumer demand, our operating results and liquidity. • Our business is subject to extensive government regulation, ~~which may result in increases in our costs, disruptions to our operations, limits on our operating flexibility, reductions in the demand for air travel, and competitive disadvantages.~~ • We operate a global business with international operations that are subject to economic and political instability and have been, and in the future may continue to be, adversely affected by numerous events, circumstances or government actions beyond our control. • We may be adversely affected by conflicts overseas, terrorist attacks or other acts of violence, domestically or abroad; the travel industry continues to face ongoing security concerns. • We are subject to risks associated with climate change, including increased regulation of our greenhouse gas (GHG) emissions, changing consumer preferences and the potential for increased impacts of severe weather events on our operations and infrastructure. • A shortage of pilots or other personnel ~~has in the past and~~ **could continue to** materially adversely affect our business. • We depend on a limited number of suppliers for aircraft, aircraft engines and parts. Delays in scheduled aircraft deliveries, unexpected grounding of aircraft or aircraft engines whether by regulators or by us, or other loss of anticipated fleet capacity, and failure of new aircraft to receive regulatory approval, be produced or otherwise perform as and when expected, ~~may~~ **adversely impact impacts** our business, results of operations and financial condition. • We rely heavily on technology and automated systems, **including artificial intelligence**, to operate our business, and any ~~failure~~ **failures** of these technologies or systems could harm our business, results of operations and financial condition. • Evolving data privacy requirements ~~(in particular, compliance with applicable federal, state and foreign laws relating to handling of personal information about individuals)~~ could increase our costs, and any significant data privacy incident could disrupt our operations, harm our reputation, expose us to legal risks and otherwise materially adversely affect our business, results of operations and financial condition. • We are exposed to risks from cyberattacks, and any cybersecurity incidents involving us, our third- party service providers, or one of our AAdvantage partners or other business partners, ~~could materially adversely affect our business, results of operations and financial condition.~~ • We rely on third- party distribution channels and must effectively manage the costs, rights and functionality of these channels. • If we are unable to obtain and maintain adequate facilities and infrastructure throughout our system and, at some airports, adequate slots, we may be unable to operate our existing flight schedule and to expand or change our route network in the future. • **Interruptions**, ~~which may have a material adverse impact on our~~ **or operations disruptions in service at one of our key facilities.** • **Increases in insurance costs or reductions in insurance coverage, and heavy taxation of the airline industry.** PART I ITEM 1. BUSINESS Overview American Airlines Group Inc. (AAG), a Delaware corporation, is a holding company and its principal, wholly- owned subsidiaries are American Airlines, Inc. (American), Envoy Aviation Group Inc., PSA Airlines, Inc. (PSA) and Piedmont Airlines, Inc. (Piedmont). AAG was formed in 1982, under the name AMR Corporation (AMR), as the parent company of American, which was founded in 1934. AAG' s and American' s principal executive offices are located at 1 Skyview Drive, Fort Worth, Texas 76155 and their telephone number is 882- 278- 9000. Airline Operations Together with our wholly- owned regional airline subsidiaries and third- party regional

carriers operating as American Eagle, our primary business activity is the operation of a major network air carrier, providing scheduled air transportation for passengers and cargo through our hubs in Charlotte, Chicago, Dallas / Fort Worth, Los Angeles, Miami, New York, Philadelphia, Phoenix and Washington, D. C. and partner gateways, including in London, Doha, Madrid, Seattle / Tacoma, Sydney and Tokyo (among others). **In 2023, we provide service to over 350 destinations around the world, and in 2024, approximately 211 over 226 million passengers boarded our flights as** ~~During 2023, we launched more than 50 new routes, providing service including from New York to Tokyo~~ **close to 350 destinations around the world, Dallas / Fort Worth to Brisbane, Philadelphia to Copenhagen and we Philadelphia to Nice. We also** ~~announced several~~ **over 20 new destinations or expanded routes** for customers to explore in ~~2024~~ **2025** : Copenhagen, Denmark; ~~including to trans- Atlantic destinations such as Milan, Rome, Venice and~~ Naples, Italy; Nice, France; Governor's Harbour, Bahamas; Tijuana, Mexico; Tulum, Mexico; Ocho Rios, Jamaica; Pasco, Washington and Hyannis ~~Athens, Greece~~ Massachusetts. In 2024, we announced new service to Brisbane, Australia and Veraacruz, Mexico, as well as additional nonstop service between New York and Tokyo, Japan. As of December 31, ~~2023~~ **2024**, we operated ~~965~~ **977** mainline aircraft supported by our **wholly- owned** regional airline subsidiaries and third- party regional carriers, which together operated an additional ~~556~~ **585** regional aircraft. See Part I, Item 2. Properties for further discussion of our mainline and regional aircraft and "Regional" below for further discussion of our regional operations.