

American reports third-quarter 2020 financial results

In a letter to team members on Oct. 22, CEO [Doug Parker](#) and President [Robert Isom](#) announced our third-quarter 2020 financial results.

Dear fellow team members,

This morning, we reported our [third-quarter 2020 financial results](#). American posted a net loss of \$2.8 billion excluding net special items due to the ongoing COVID-19 pandemic, which continues to impact demand and triggered a 73% decline in revenue year over year. While this is a modest improvement from last quarter, we still have a long road ahead.

The past few months have been among the most difficult we've ever faced as a team. The expiration of the Payroll Support Program dealt a blow to the industry and to our airline as we prepared for Oct. 1. On behalf of the leadership team, we want to thank you for the tremendous professionalism you have shown during some of our darkest hours, even as some of our colleagues have lost their livelihoods. We are truly thankful for the women and men of our airline family, who continue to amaze us with their grace and ability to rise.

We continue to fight aggressively in Washington, D.C., to bring back our furloughed team members as soon as possible. While that work continues, our response to the crisis remains the same: care for our team, customers and communities; reduce costs; and improve liquidity.

Caring for team members, customers and communities

We're creating the best possible experience for our customers as they return to flying. We have eliminated change fees for most of the flying we're doing today and have offered customers the ability to stand by on the same day at no charge, all to give more flexibility as people make their plans.

Safety continues to be our top priority and in the third quarter we introduced SurfaceWise®2, the only EPA-approved long-lasting product to help fight the spread of COVID-19, as part of our Clean Commitment. To make travel easier, we announced a preflight COVID-19 testing program for customers visiting Hawaii, Costa Rica, Jamaica and the Bahamas, and plan to expand it soon across the Caribbean. Our Admirals Club lounges are now open in 17 cities with enhanced cleaning and safety protocols.

Reducing costs and improving liquidity

We continue to take aggressive action to reduce costs and preserve cash. We have removed approximately \$17 billion from our operating and capital budgets this year, primarily through reduced flying and making significant changes to our fleet.

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Additionally, we recently finalized a loan agreement with the U.S. Department of the Treasury for \$7.5 billion through the CARES Act loan program. This gives us more than double the amount of liquidity we had at the start of the year. These funds will be critical as we continue to fight for the future of our company.

During the third quarter, despite the limited demand, one in every three passengers flying within the U.S. chose American Airlines. This is a testament to the extremely high level of service and care you all provide each day, even in the face of unheard-of challenges. Our country, industry and, indeed, American Airlines, are in a position we could not have forecasted. Still, your strength is inspiring. We couldn't be prouder to be on your team.

Thank you for everything you do.

A handwritten signature in black ink, appearing to read "Doug Parker". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.