

# American Airlines reports Q1 loss, optimistic on vaccines

April 22 2021

---



American Airlines reported another quarterly loss but said bookings from leisure travelers are increasing as vaccines become more widespread

American Airlines reported another quarterly loss Thursday as COVID-19 continued to depress travel, but expressed optimism at an industry recovery with vaccinations becoming more widespread.

The big US carrier's [first-quarter](#) results were comparable to those of

rival carriers Delta Air Lines and United Airlines, who also reported losses and signaled the [second quarter](#) would be unprofitable as business and international [travel](#) levels remain extremely low.

"The pandemic is far from over," American's CEO Doug Parker and President Robert Isom said in a letter to employees. "But as our world makes daily strides in COVID-19 vaccination efforts, customers are returning to travel and there is no doubt the pace of the recovery is accelerating."

American reported a loss of \$1.3 billion in the first quarter, compared with a shortfall of \$2.2 billion in the year-ago period.

Revenues fell 52.9 percent from the year-ago period to \$4 billion.

Like other carriers, American has reduced headcount through early retirement programs, and deferred new aircraft deliveries to save money and reduce its daily cash burn.

American reached agreements with Boeing to defer receiving some new 787 and 737 planes. On the 737 MAX, American now expects 18 new aircraft deliveries to occur in 2023 and 2024 instead of 2021 and 2022.

American projected that second-quarter capacity would be down 20 to 25 percent compared to the 2019 period and that revenue would be off 40 percent.

In an interview with CNBC, Parker said he expects strong demand this summer for leisure markets with "beaches and mountains."

He said there is "huge pent-up demand" for international travel, but that it was difficult to predict the timing of a recovery.

"Some other countries are starting to drop restrictions and we're seeing bookings pick up immediately as that happens," Parker said, noting a recent step by Greece to lift its quarantine requirement for fully vaccinated visitors from the United State and five other jurisdictions.

Shares of American rose 3.3 percent to \$21.70 in pre-market trading.

© 2021 AFP

Citation: American Airlines reports Q1 loss, optimistic on vaccines (2021, April 22) retrieved 27 April 2024 from <https://techxplore.com/news/2021-04-american-airlines-q1-loss-optimistic.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.