

American Airlines shares sink as it lowers demand outlook

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American Airlines CEO Robert Isom said the company's second-quarter outlook had weakened compared with an earlier forecast.

Shares of American Airlines dove Wednesday after it lowered its profit outlook, citing weaker demand and a troubled booking system upgrade.

Shares of the big US carrier were down nearly 15 percent following American Airlines Chief Executive Robert Isom's appearance at a Wall Street conference where he sketched out the issues.

While long-haul international travel remains strong, Isom cited a "softer domestic revenue environment," saying the company's domestic travel outlook had "worsened materially" compared with its April forecast.

American lowered its second-quarter [profit](#) margin outlook and now sees earnings per share of between \$1.00 to \$1.15.

In April, American projected profits per share of between \$1.15 and \$1.45.

The carrier now expects to add 3.5 percent of capacity in the second half of 2024 after adding eight percent in the first half, Isom said.

The weak outlook came after American announced Tuesday that Chief Commercial Officer Vasu Raja will depart the carrier in June.

Isom praised Raja for [creative thinking](#) and his embrace of innovation.

"But sometimes we need to reset and in this case we do," Isom said, adding that the company needed to focus on execution and on being "more detail-oriented."

Raja had been involved in efforts to have customers book directly through the airline and its app instead of going through corporate [travel](#) managers or [online platforms](#).

But Isom said the execution of the changes had driven some customers away.

"We have to make sure we're reactive in the short run, and we can never be difficult to do business with," Isom said.

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