United Next

Investor Event

June 29, 2021

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United Next

The airline customers choose to fly
Scott Kirby, Chief Executive Officer

United Next
Andrew Nocella, EVP & Chief Commercial Officer

Financial targets
Gerry Laderman, EVP & Chief Financial Officer

The airline customers choose to fly

Scott Kirby, Chief Executive Officer

Capitalizing on United's unique competitive advantages

- **'United Next'** is much more than an aircraft purchase
- ***Only*** airline with hubs in seven of the largest and most premium markets
- ***Only*** airline that didn't retire widebody fleet types during the pandemic and had the best pre-crisis long-haul margins[1]
- ***Only*** airline with a ~30% gauge[2] increase leading to CASM-ex[3] down ~(8%) in 2026

United, like other airlines, is increasingly focused on maximizing individual competitive advantages to de-commoditize air travel

[1] Internal company analysis - Flight Profitability System; [2] Assumes 30 seat increase on 2019 average North America mainline and regional gauge of 104 seats; [3] As compared to 2019. CASM-ex (operating expense per available seat mile) excludes fuel, profit sharing, third-party business expenses and special charges. CASM-ex is a non-GAAP financial measure. The Company is not able to provide guidance with respect to CASM, the most comparable GAAP measure, without unreasonable efforts.

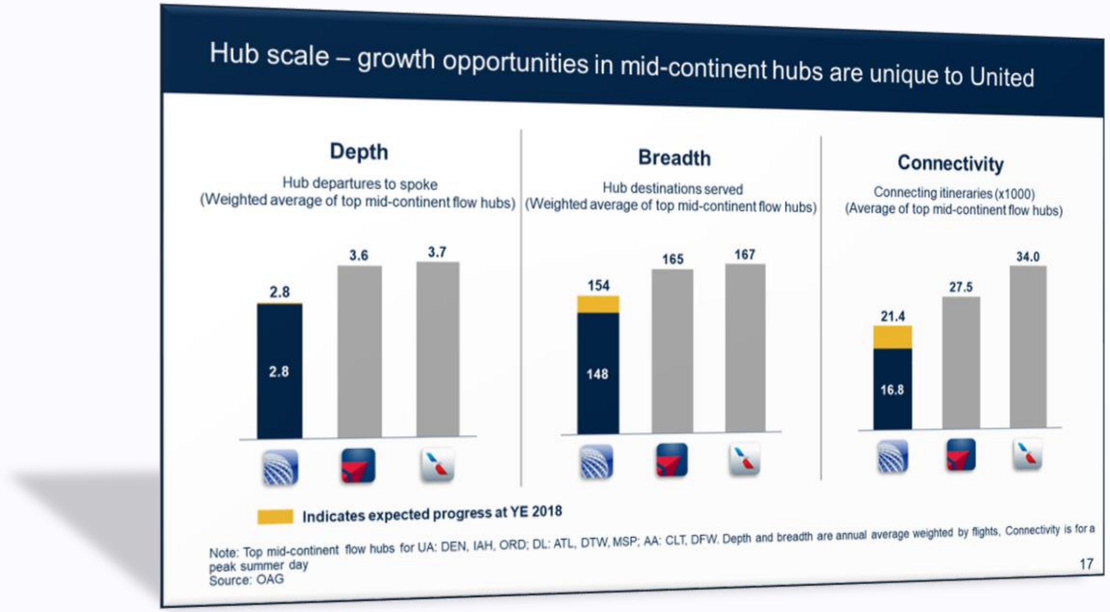
United Next

Andrew Nocella, EVP & Chief Commercial Officer

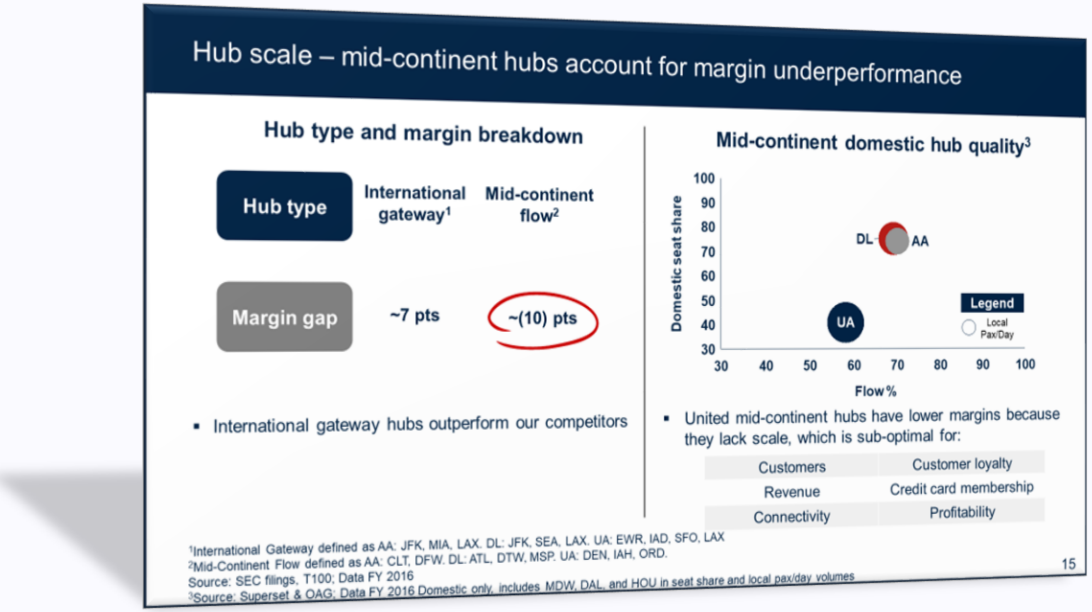
Recall: In 2018, began transformation of our mid-continent hubs

UNITED

Required fixing depth, breadth, connectivity



Identified 10-point margin² gap to similar hubs



Margin[1] gap to industry closed by ~2 points 2018-2019

Returns immediately positive, margin[2] gap to other mid-continent hubs began to close as projected

[1] Adjusted pre-tax margin as reported by carrier, includes DL, AA, WN, AS, B6; adjusted pre-tax margin excludes special charges and the mark-to-market impact of financial instruments; [2] Internal company analysis - Flight Profitability System

‘United Next’

Strengthening our position as the airline our customers, travel agency partners, and corporate clientele choose

Premier Global Carrier

Signature product | Global | Higher margin | CASM-ex[1] ~(8%) lower

Global Network	Optimized Fleet	Leading Product	Best Service
Unlock full potential of our premium hubs and global gateways	Correct gauge gap and optimize premium seating products	De-commoditize and differentiate versus others	Invest in customer experience, improving NPS scores

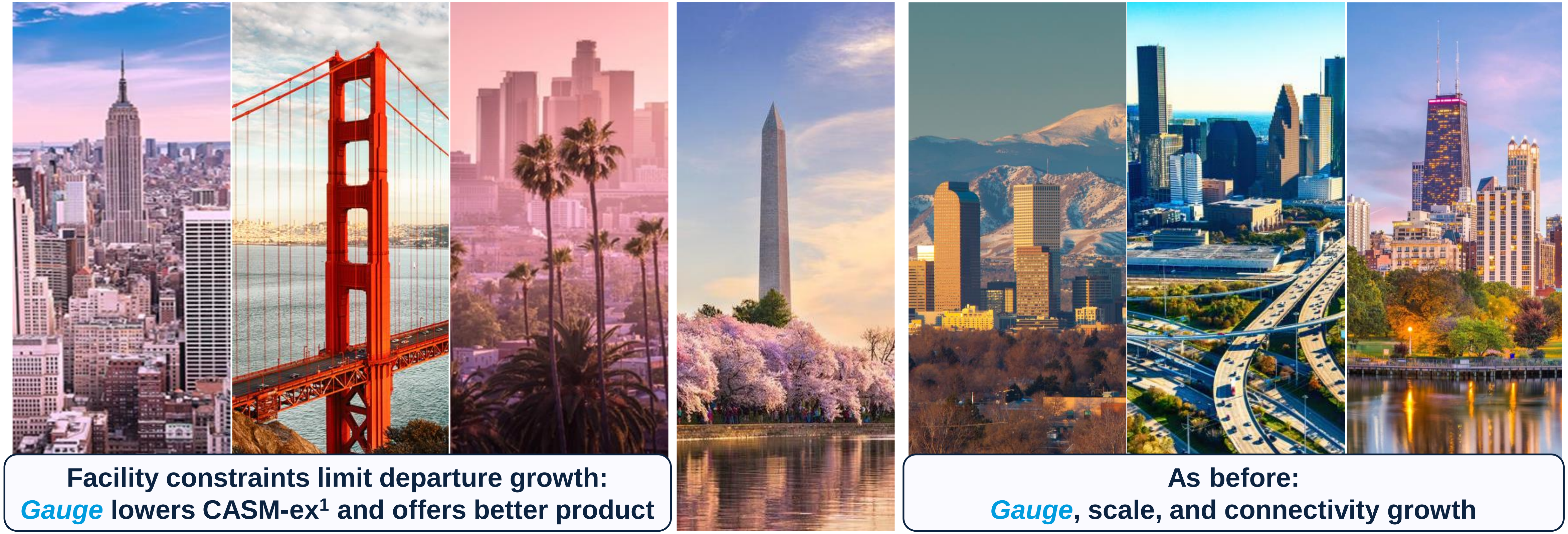
‘United Next’ is a plan that finally aligns our network, fleet, and products to the hubs we fly and the customers we serve and will realize the full potential of United

[1] Refers to 2026 as compared to 2019. CASM-ex (operating expense per available seat mile) excludes fuel, profit sharing, third-party business expenses and special charges. CASM-ex is a non-GAAP financial measure. The Company is not able to provide guidance with respect to CASM, the most comparable GAAP measure, without unreasonable efforts. Note: for a GAAP to Non-GAAP reconciliation, see Appendix A

United operates from two different types of hubs

Small gauge is an easily correctable gap in both our mid-continent hubs and coastal gateways

Coastal Gateways				Mid-Continent Hubs		
New York	*San Francisco*	*Los Angeles*	*Washington D.C.*	*Denver*	*Houston*	*Chicago*



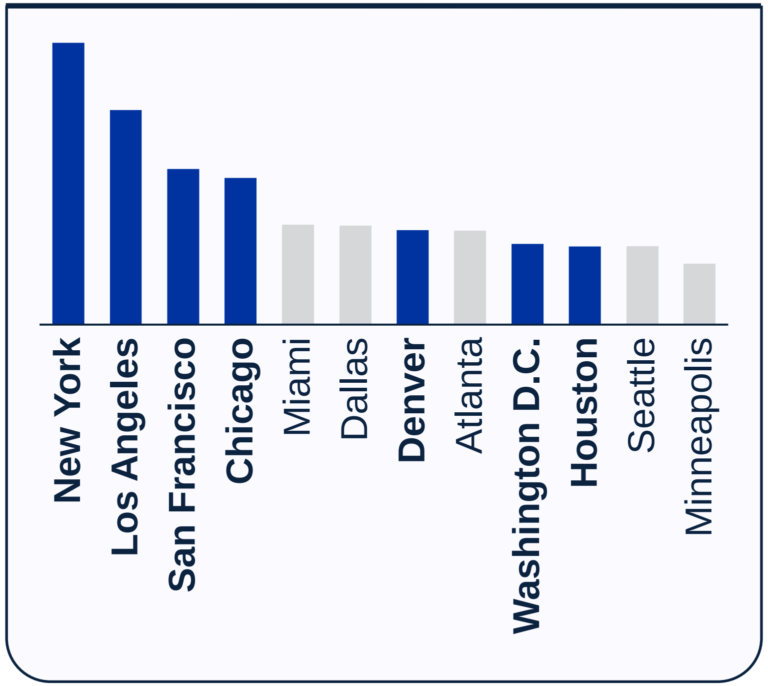
Facility constraints limit departure growth:
Gauge **lowers CASM-ex[1] and offers better product**

As before:
Gauge**, scale, and connectivity growth**

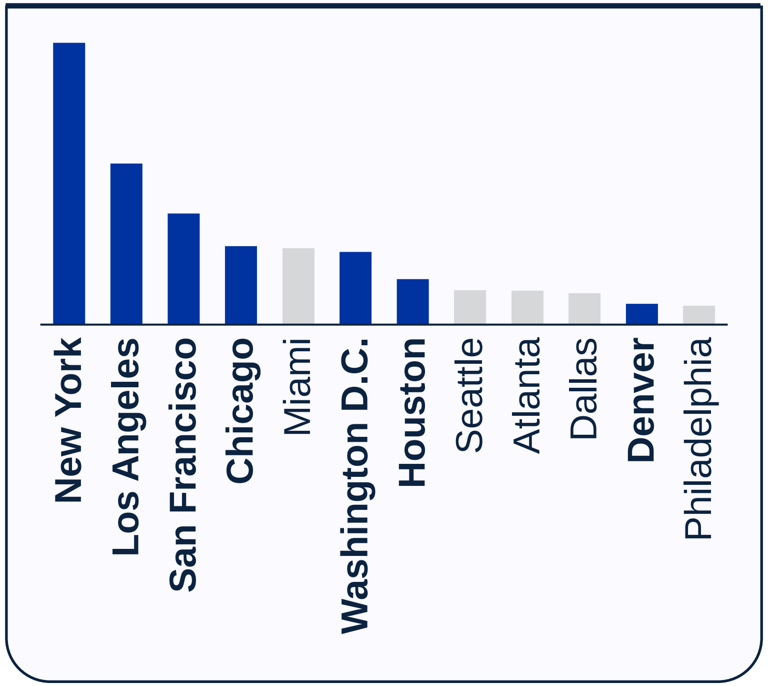
[1] CASM-ex (operating expense per available seat mile) excludes fuel, profit sharing, third-party business expenses and special charges. CASM-ex is a non-GAAP financial measure.

Recall: Our hubs are in the largest markets and business centers, with the most international demand

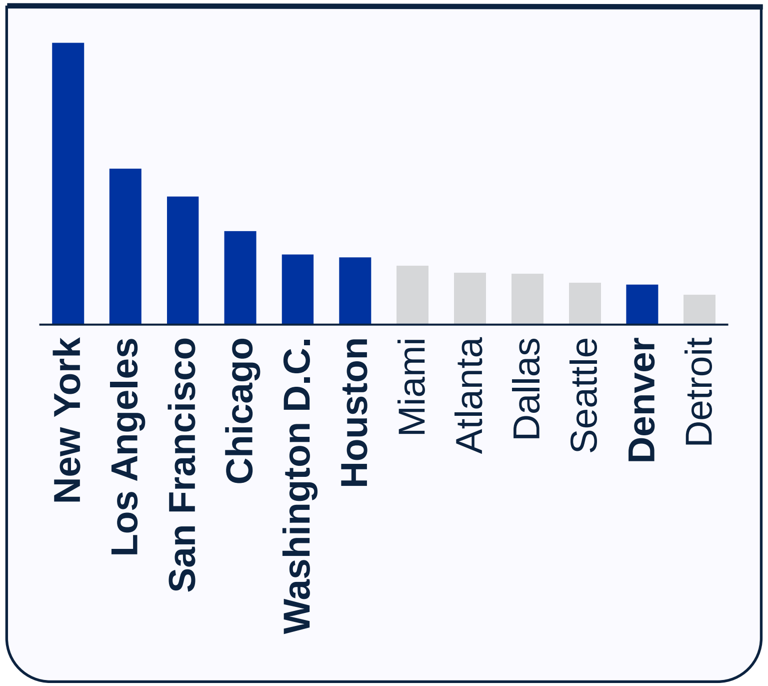
Passenger demand
Total passengers – YE 2019



Long-haul passenger demand
International passengers – YE 2019



Premium passenger demand
Premium passengers – YE 2019



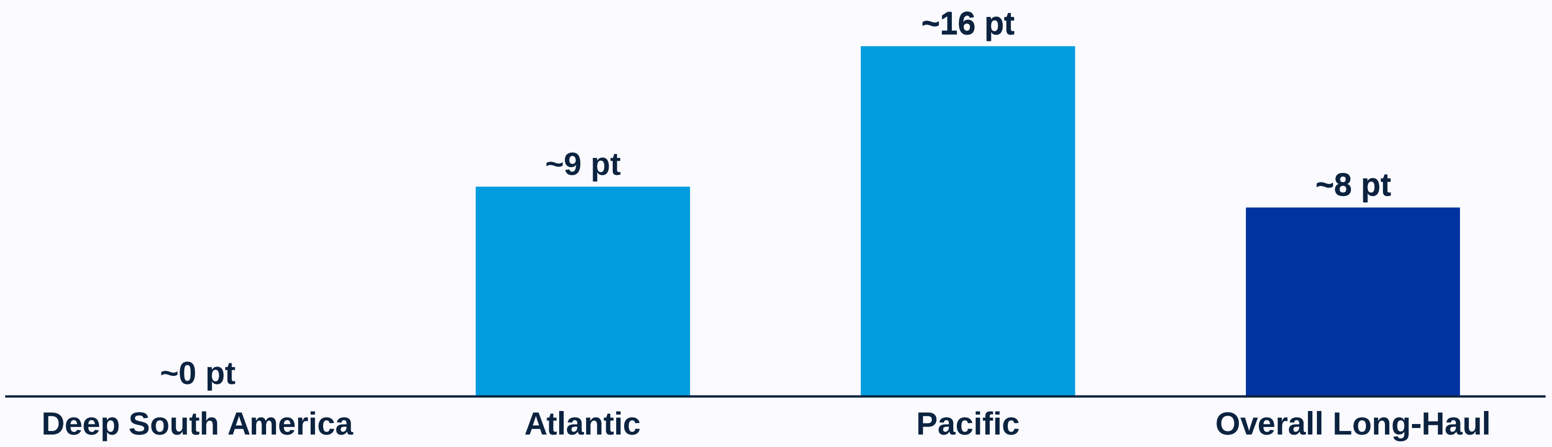
Our hubs are a uniquely United demographic advantage, positioning United as *the* U.S. flag carrier

Source: 2019 MIDT, data organized by metro area

United's long-haul network outperformed peers, even pre-crisis

Competitors went out of business, retired large widebody fleets, and are eliminating "strategic" flying

Margin by entity vs. legacy peers – FY19[1]



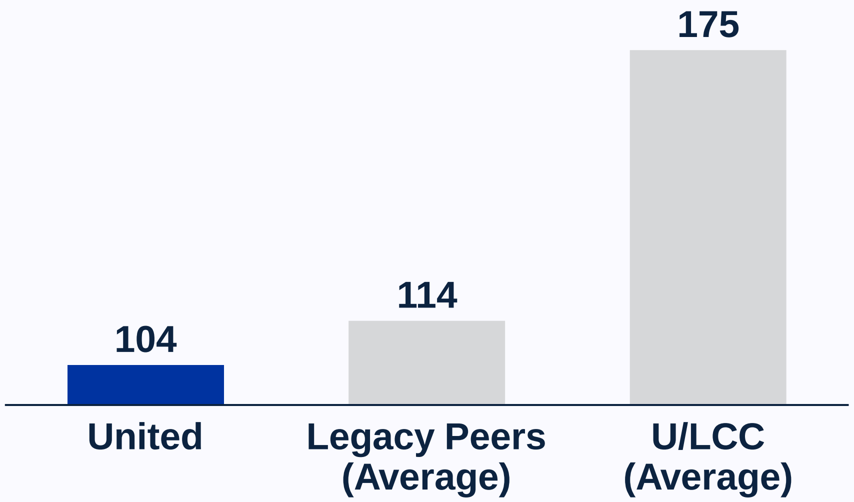
Another uniquely United advantage, global flying has been profitable and we believe it is best positioned to improve going forward

[1] Estimated from company analysis; legacy peers consist of AA/DL, AA/DL estimated using publicly available revenue data; all based on FY2019 data

However, we have not realized our full potential domestically because we have been dependent on single-class 50-seaters

North America gauge

(July 2019)



Lowest among U.S. major airlines

Influenced by single-class regional jets

- **Poor unit economics**
- **Spills demand**
- **Subpar product**

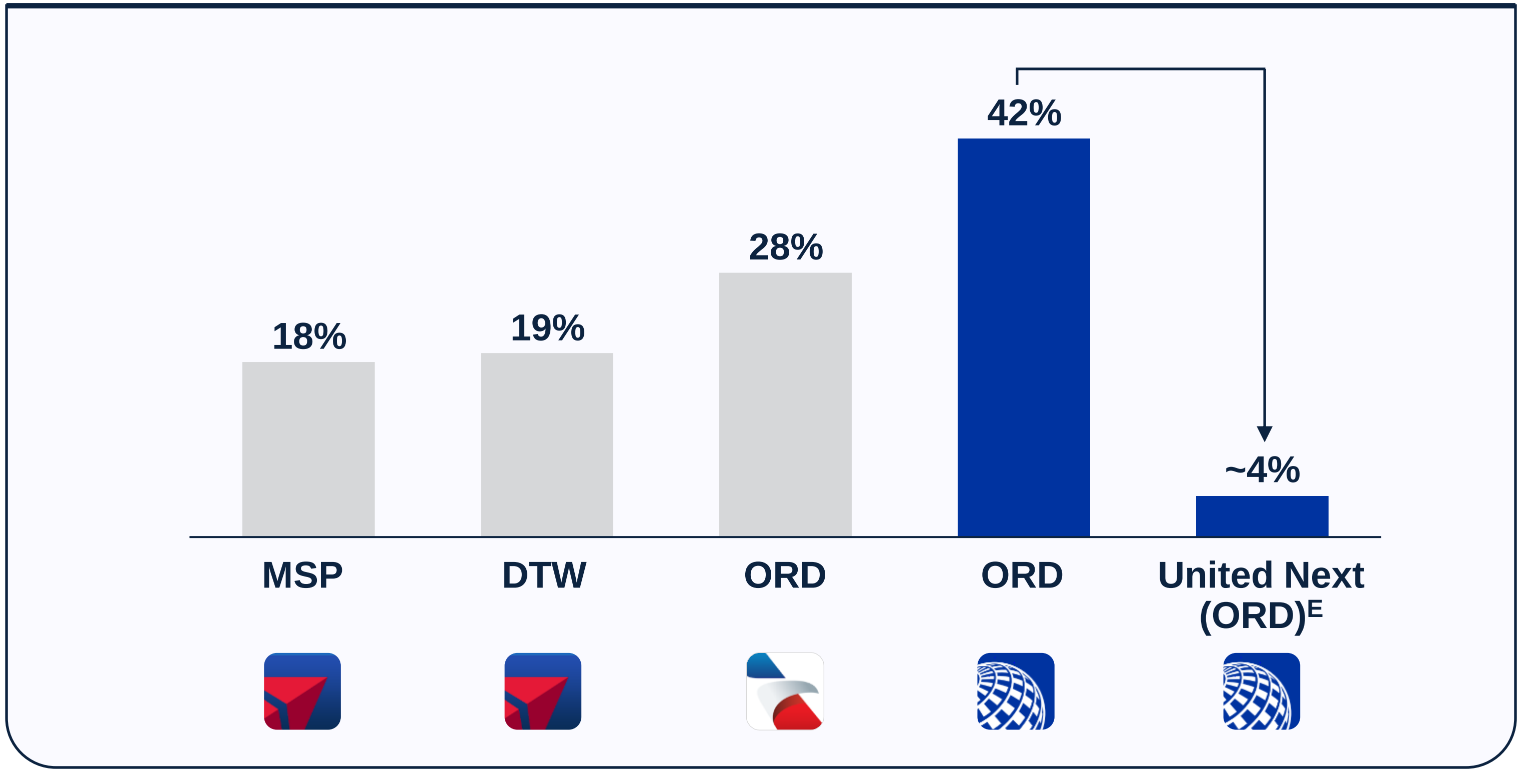
Regional jets are suboptimal when competing against larger equipment

Gauge is an opportunity largely already addressed by industry – unique tailwind for United

Note: legacy peers consist of AA/DL; U/LCC refers to ultra low-cost carriers and low-cost carriers
Source: OAG

‘United Next’ plan retires 200+ single-cabin regional jets by 2026

Midwest hub departures on single-cabin regional jets



Large narrowbodies vs RJs

- ✓ More profitable
- ✓ Avoid spilling demand
- ✓ Improved product
- ✓ Connectivity
- ✓ Lower costs
- ✓ Better segmentation
- ✓ Seamless
- ✓ Higher NPS

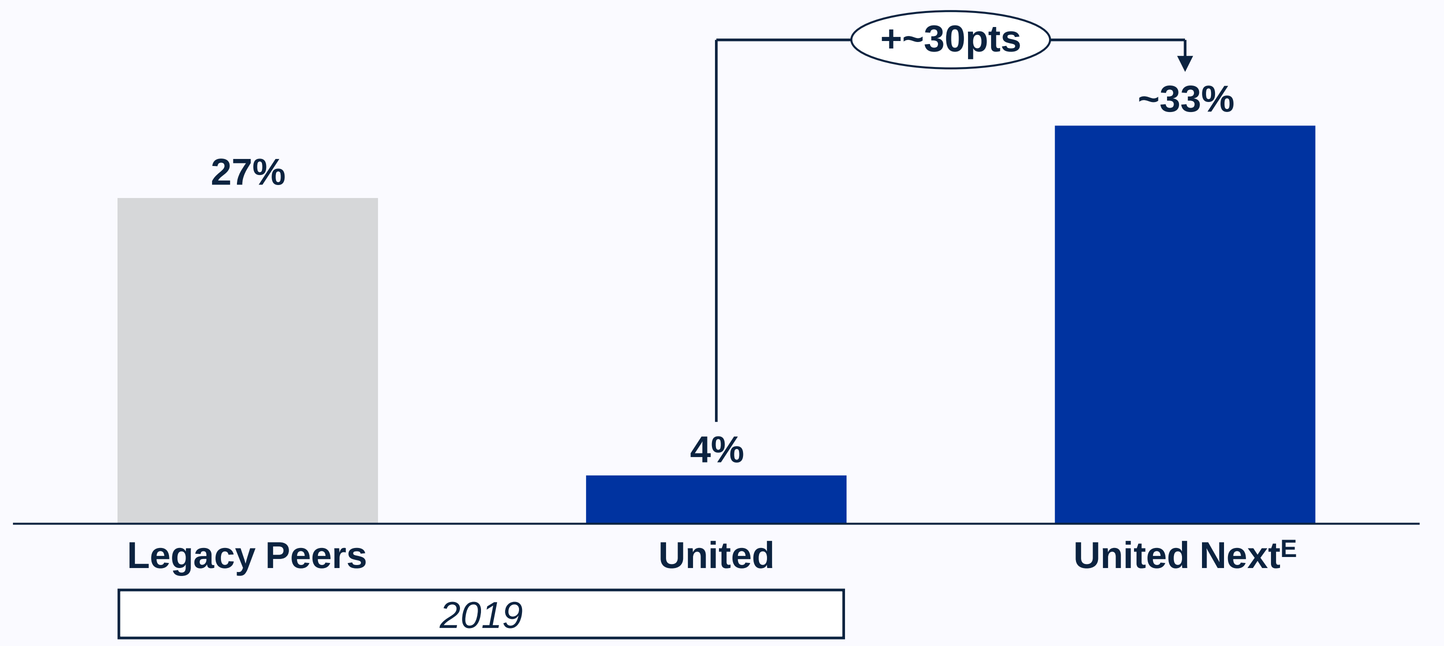
Overall, single-class regional jets will go from 33% of North American departures to ~10%

Source: Diio (2019, percent of Domestic departures, includes Canada); Internal schedules
[E] Estimated 2026, internal network schedule projection

Replacing regional jets requires narrowbodies, announced today

Gauge – Boeing 737 MAX 10 and Airbus A321neo are the largest in their class, will join the fleet in 2023

Large narrowbody fleet composition[1]



New large narrowbodies

Boeing 737 MAX 10

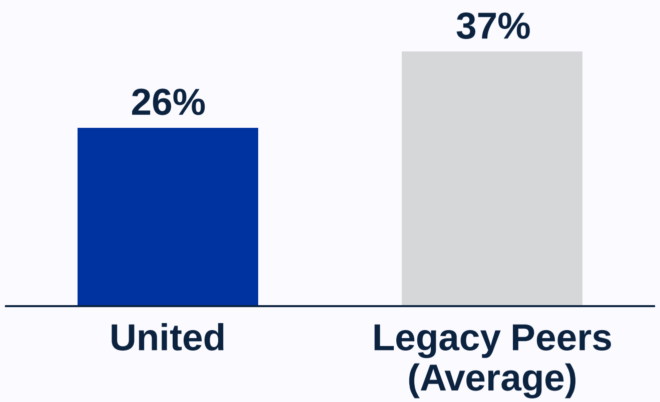
Airbus A321neo

New mainline jets will create jobs – regional pilots from our Aviate program will get first access

[1] Large narrowbodies (181+ seats) as a percent of total narrowbodies in fleet
[E] Estimated 2026, based on latest internal delivery and retirement projections
Note: legacy peers consist of AA/DL

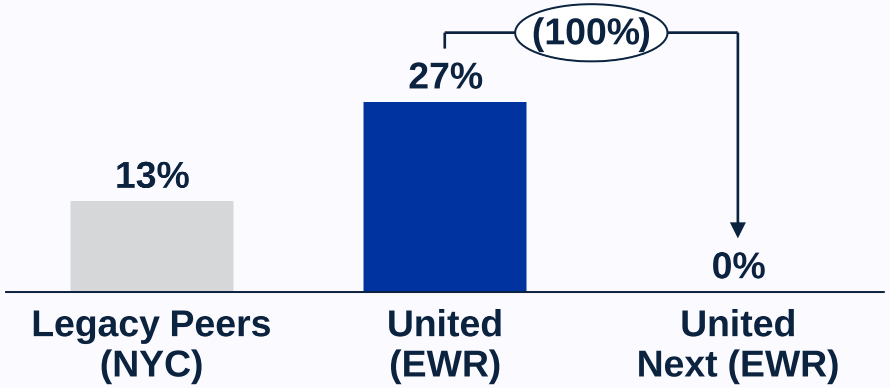
Improving connectivity with gauge remains key to strengthening our hubs

United underperforms on global traffic in small cities[1] …



… Because a high proportion of feeder flights operate on small regional jets

% of domestic departures on single-class regional jets



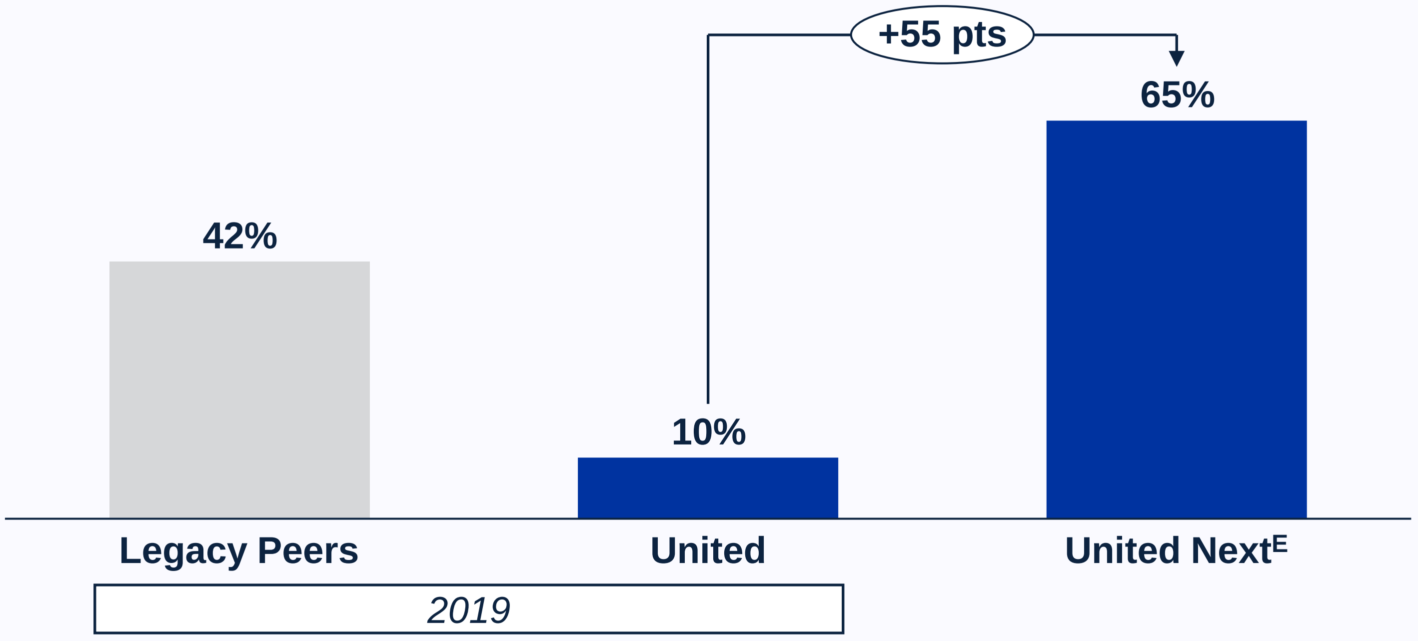
Upgauging feeder flights while maintaining or increasing frequencies and connectivity

[1] "Small Cities" – the smallest Continental US airports that, in aggregate sum to 25% of Continental US departing seats (a total of the smallest 92% of airports)
Source: Diio FY19; Share from MIDT for pax traveling abroad excl. Canada and incl. U.S. territories (adjusted FY19)
Note: legacy peers consist of AA/DL

Improved connectivity leapfrogs competition in mid-continent hubs

Connectivity – adding bank scale without a need to grow above our facility capabilities

% of banks ≥ 70 departures: mid-continent hubs[1]



Driving efficiencies

- ✓ Gate utilization
- ✓ Hub staffing
- ✓ Connectivity
- ✓ Low marginal cost

Plan to increase average bank size by *15* flights from 2019 to 2026

[1] Top 3 midcontinent hubs per carrier. UA – ORD, IAH, DEN; AA – CLT, ORD, DFW; DL – ATL, DTW, MSP
[E] Estimated 2026, internal network schedule projection

Modern, fuel-efficient fleet will close structural gap by 2026

Gauge – optimized for United's seven hubs at 134 seats by 2026

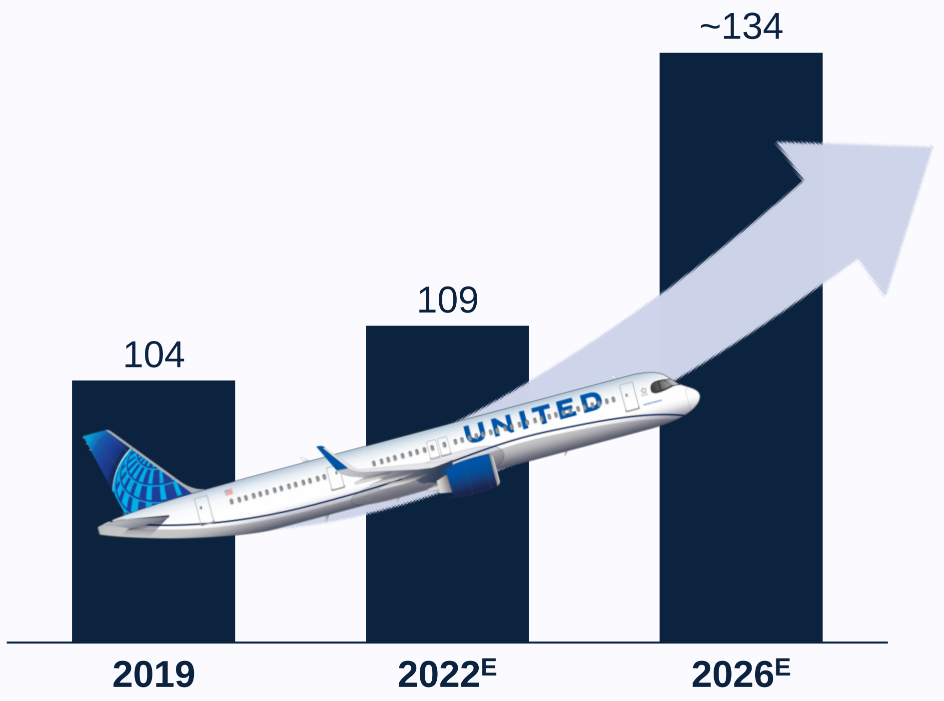
Unprecedented gauge growth for a major airline

+ ~30 seats

per departure
through 2026
on our North American fleet

Total seats per short-haul departure

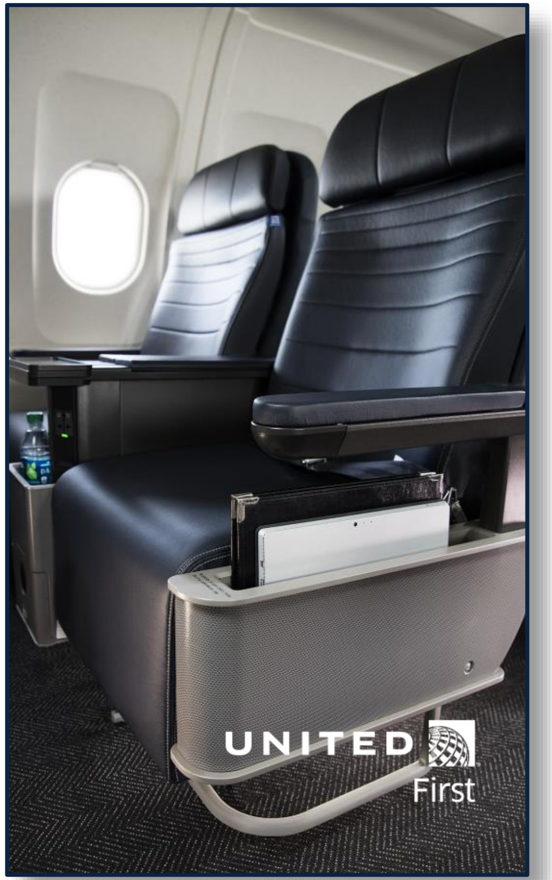
North America mainline + regional fleet

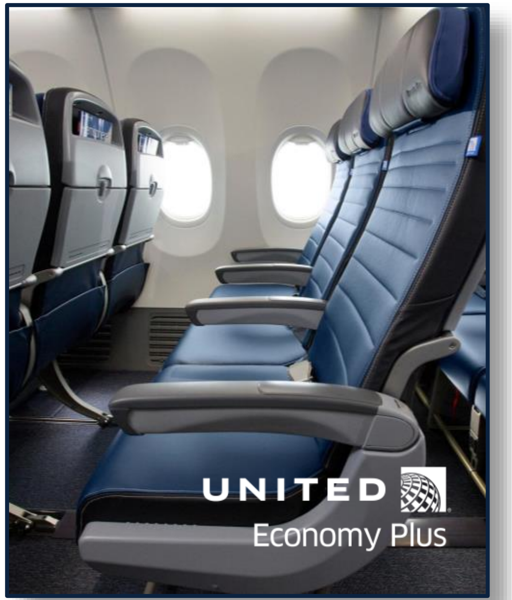


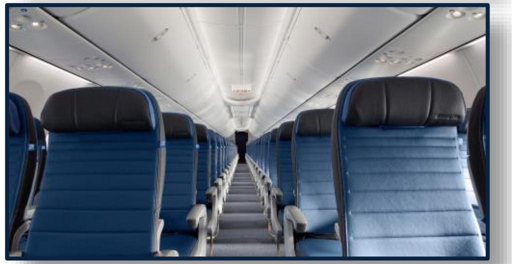
E Estimated, based on latest internal delivery and retirement projections

Narrowbodies enable premium seat growth; match United hub demographics

Product differentiation

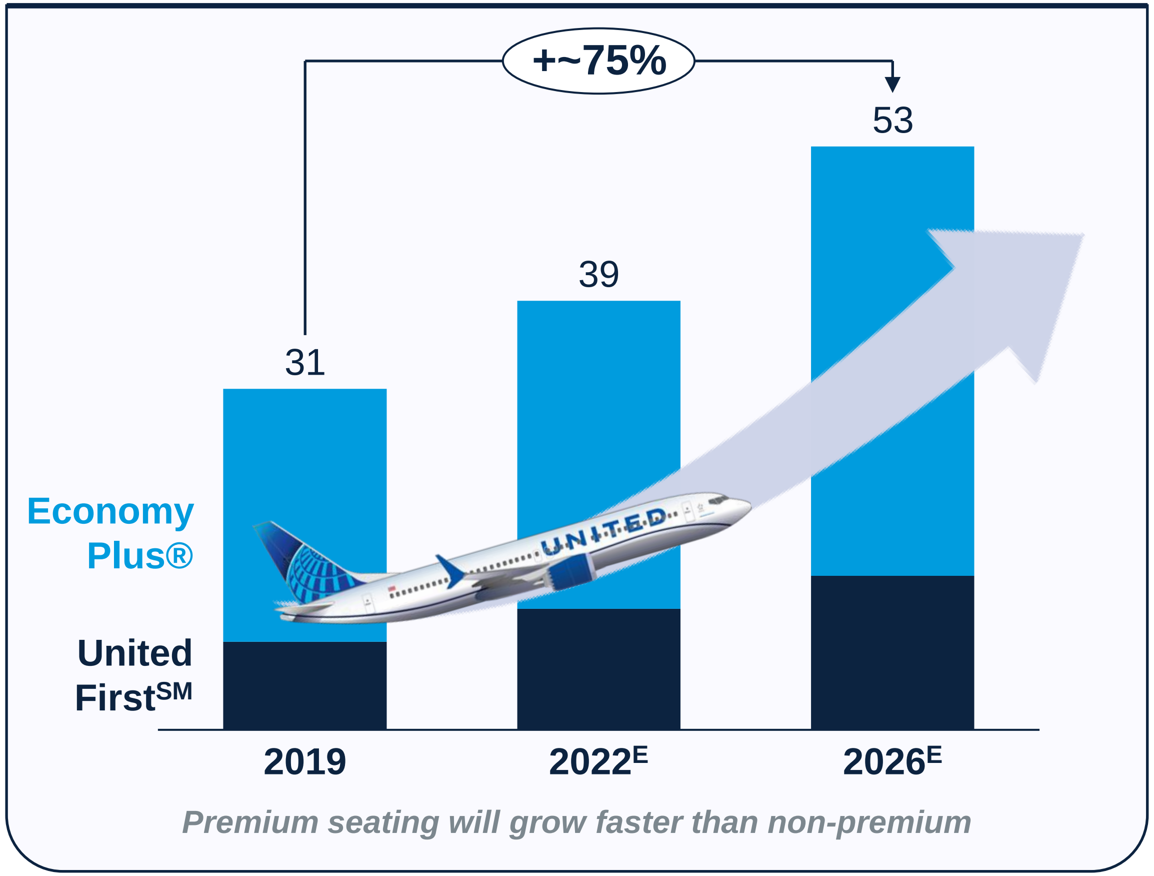






Premium seats per short-haul departure

North America fleet



[E] Estimated, based on latest internal delivery and retirement projections

CRJ-550: Uniquely United product for smaller, competitive markets matches United hub demographics

CRJ-550 differentiated from other 50-seaters

- ✓ United First℠
- ✓ Economy Plus®
- ✓ 1:1 carry-on capacity
- ✓ Onboard snack bar

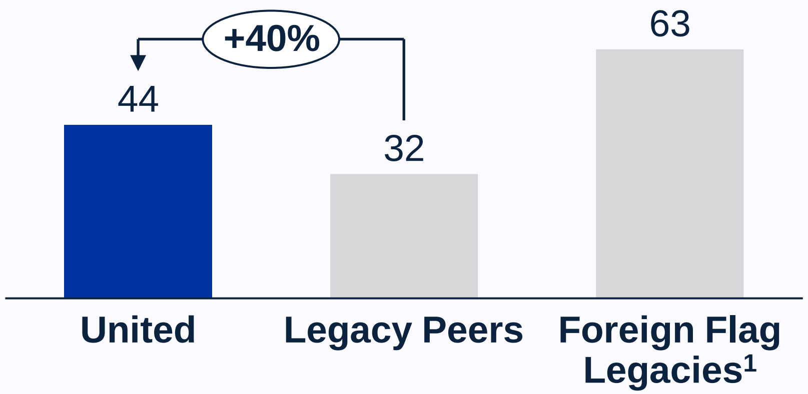
CRJ-550 deployment focused on Newark and Chicago, closing competitive gaps

Matching capacity to premium demand; more seats than competitors

Product differentiation – international widebodies

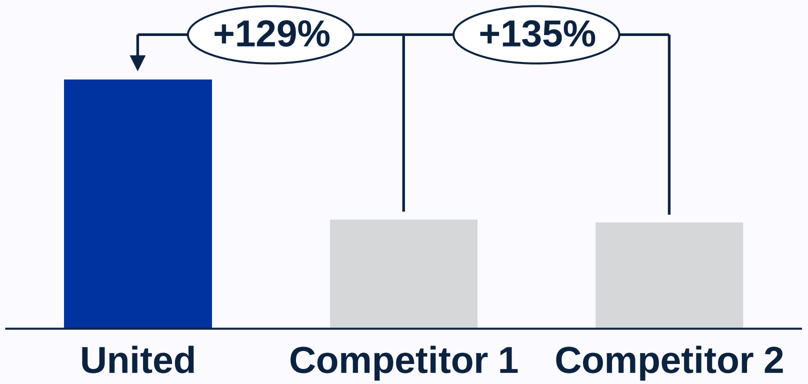
Largest widebody premium cabins amongst U.S. legacy airlines

2019 Lie-flat seats per long-haul departure (int’l widebodies)



We lead U.S. competitors in premium cabin seats

Lie-flat seats Q1 2021

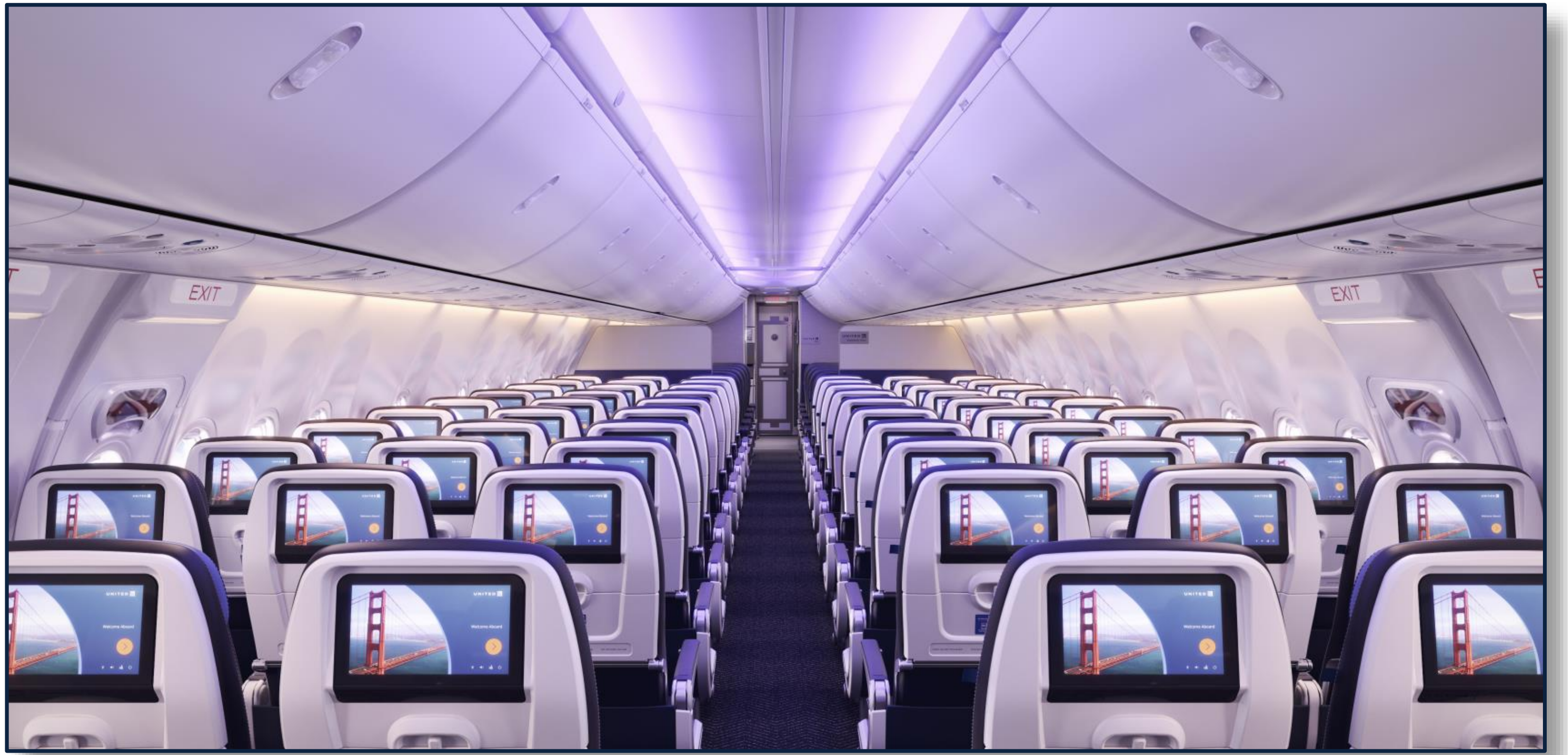


United hub demographics enable more lie-flat seats than all other U.S. airlines combined

[1] International airlines flying from United hubs to their gateways
Source: Diio 2019, Q1 2021 10-Qs

New leading and differentiated signature interiors on all mainline jets planned by 2025

Customer experience – enhancements for all cabins, turbocharging NPS



Signature interior features

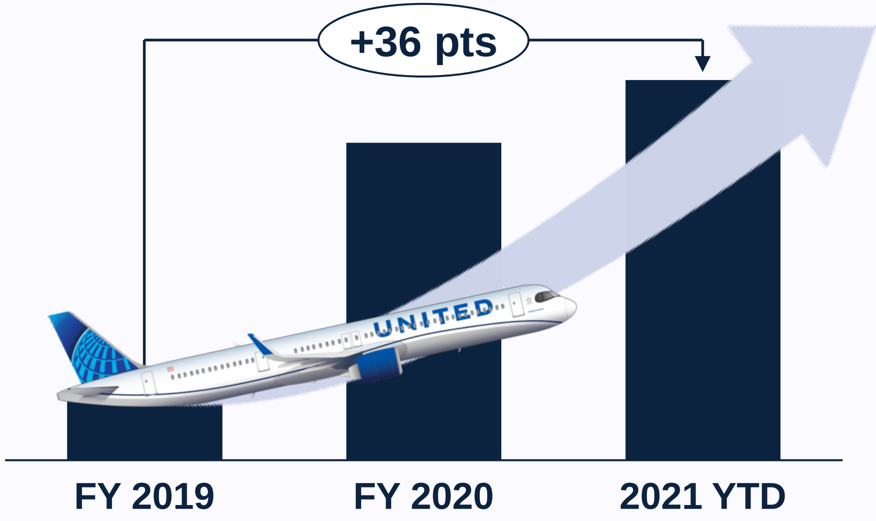
- ✓ 1:1 overhead bins
- ✓ Seatback entertainment
- ✓ LED lighting
- ✓ Next generation wi-fi
- ✓ Nose to tail power
- ✓ New branding elements

Today, United took delivery of its first Boeing 737 MAX 8, the first aircraft with our signature interior

Culture change, improved customer focus drive higher NPS scores

Customer experience

Net Promoter Score[1]



2021 J.D. Power study[2]

+50 Points

Best improvement among all U.S. airlines

Despite the hassles and inconveniences of pandemic travel, customers are noticing a change

[1] Source: United NPS survey; data through 6/6/2021

[2] Source: J.D. Power North America Airline Satisfaction Study (2021 vs. 2020 overall satisfaction improvement)

‘United Next’ plan will fill six structural gaps to achieve our potential

Gauge impacts most structural gaps positively

Gauge	***Average domestic gauge grows by ~30 seats[1]***
Leading product	***Aligned to hub potential; leading experience in all cabins; differentiated***
Customer experience	***Maintain culture momentum, an airline customers choose to fly***
Connectivity	*Banks at critical mass[2] increase from 10% to 65%*
Scale	*Daily mid-con hub departures up from ~545 to ~650*
Schedule depth	*Frequencies per market increase by ~10%*

[1] Refers to North America gauge by 2026
[2] Banks with 70 departures or more
Note: Mid-continent hubs are DEN, IAH, ORD; all percentage figures represent estimated 2026 as compared to 2019

‘United Next’ growth will primarily come from gauge

Better for customers and CASM-ex[1]

Expected capacity growth
2019-2026 CAGR[2]

Higher gauge	**2-4%**
New routes	**~1%**
Increased frequency	**~1%**
Total	**4-6%**

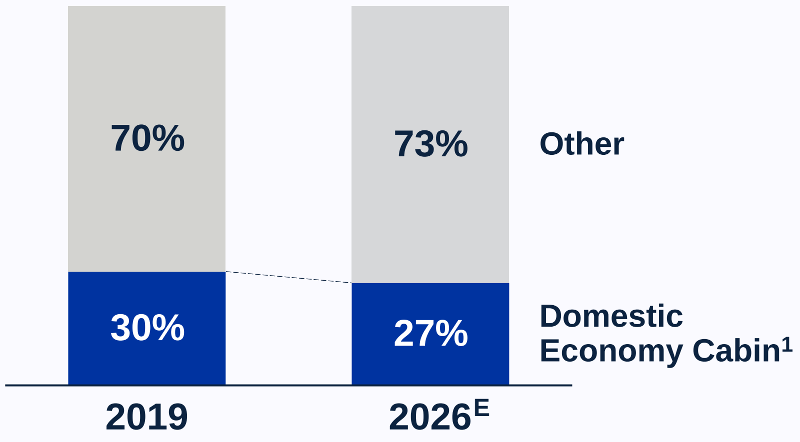
Our plan maintains an approximately 50/50 split of international and domestic revenue over many years

[1] CASM-ex (operating expense per available seat mile) excludes fuel, profit sharing, third party business expenses and special charges. CASM-ex is a non-GAAP financial measure
[2] Compound Annual Growth Rate versus 2019

Premium seat growth and lower stage length will provide unit revenue tailwinds

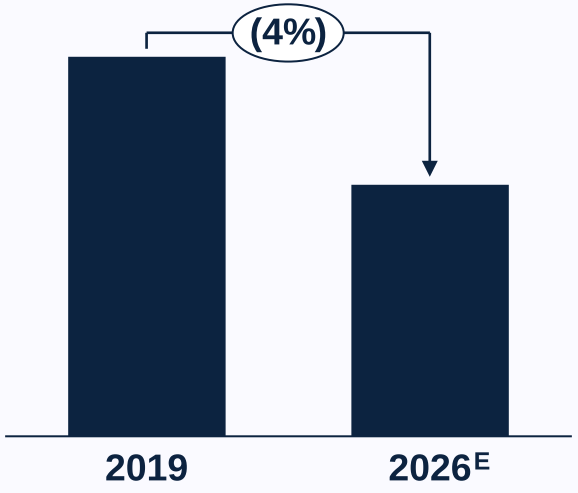
Domestic seat growth leans towards premium cabins, lowering reliance on economy revenue

% of Revenue, 2019



Domestic Economy[1] seats only represented 30% of revenue in 2019; set to drop further

Structural changes from 'United Next' will provide yield tailwinds



Domestic stage length declines by 4% by 2026

'United Next' conservatively assumes TRASM[2] down ~(4%) in 2023, and down ~(1%) in 2026 vs. 2019

[1] Excludes Economy Plus® seats
[2] Total revenue per available seat mile ("TRASM")
[E] Estimated

These opportunities are uniquely United

These opportunities provide us a pathway to success even with elevated industry domestic capacity growth

Uniquely United opportunities will provide unit revenue upside

- Building connectivity and scale
- Proven international potential; unique gateways
- International competitive restructuring
- More First Class and Economy Plus Seats
- Complete Premium Plus rollout
- Leading and Consistent Product
- Hub focus = good RASM growth
- Customer service focus
- Uniquely United aircraft configurations

Opportunities driven by the unique demographics of our hubs

Network/fleet initiatives – drive cost tailwinds

- Unprecedented gauge[1] growth; + ~30 seats by 2026
- Retiring 200+ single class 50-seaters
- Better utilizing existing infrastructure

Unique potential to grow gauge given low starting point and strong hub markets

[1] Assumes 30 seat increase versus 2019 average North America gauge of 104 seats

Financial targets

Gerry Laderman, EVP & Chief Financial Officer

'United Next' cost targets will drive greater profitability and more secure balance sheet

$2B+ structural cost savings

~30% gauge[1] increase

Cost-efficient growth

CASM-ex[3] will be ~(8.0%) lower in 2026 versus 2019

~11% better fuel efficiency[2]

Good for the environment and the bottom line

[1] Assumes 30 seat increase on 2019 average North America gauge of 104 seats; [2] Defined as fuel gallons consumed per available seat mile, figure versus 2019; [3] CASM-ex (operating expense per available seat mile) excludes fuel, profit sharing, third-party business expenses and special charges. CASM-ex is a non-GAAP financial measure. The Company is not able to provide guidance with respect to CASM, the most comparable GAAP measure, without unreasonable efforts.

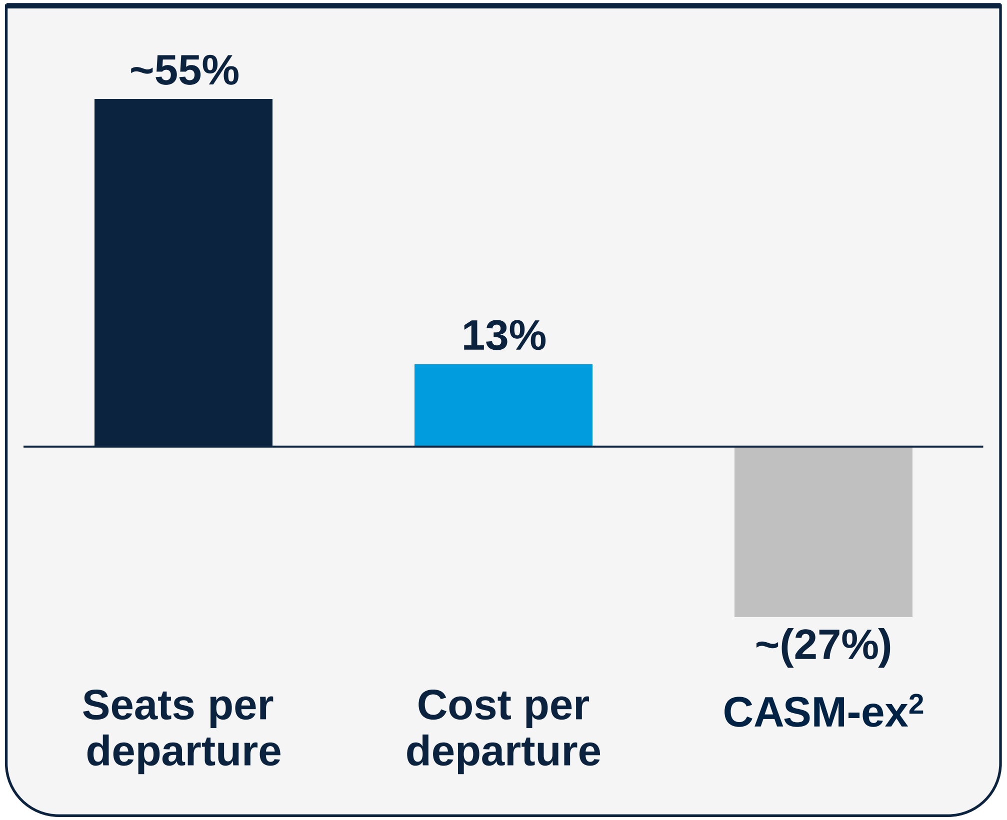
Implementing over $2B of structural cost savings independent of gauge increase

Cost savings expected to offset inflationary pressure for several years

~$1.3B: Workforce efficiency	**~$0.7B:** Non-labor
Streamlined management	*Economies of scale through vendor consolidation*
Productivity improvements through automation and process redesign	*Opportunistic contract renegotiations*
	Reducing real estate footprint
	Improved aircraft and equipment utilization

'United Next' gauge[1] increase provides significant CASM-ex[2] tailwind versus older and smaller aircraft

Airbus A321neo vs. Airbus A319



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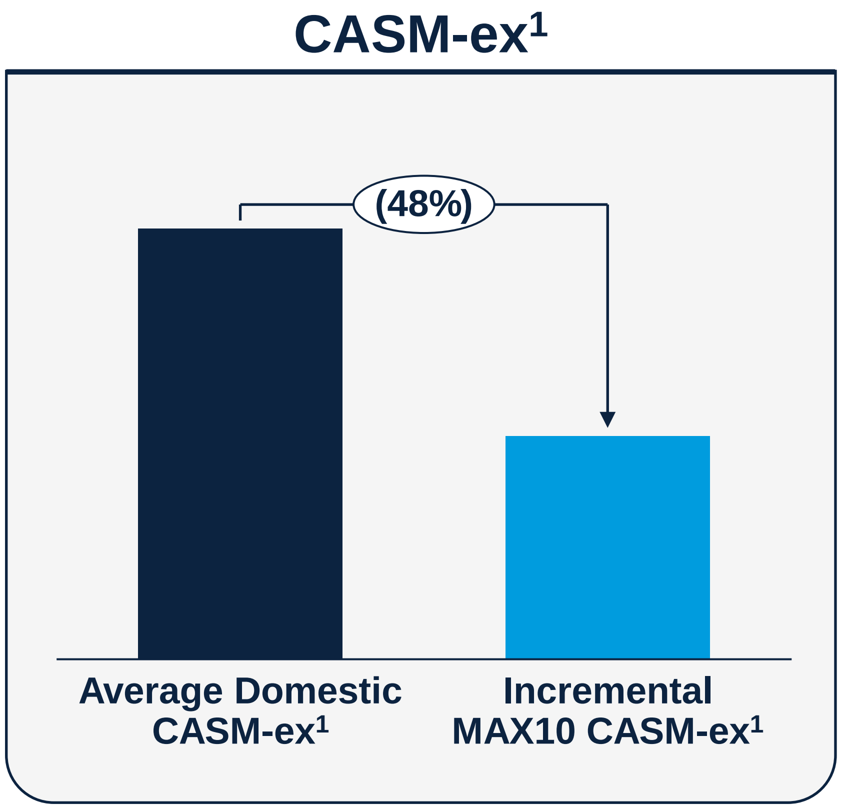
Aircraft order provides cost-efficient growth opportunity



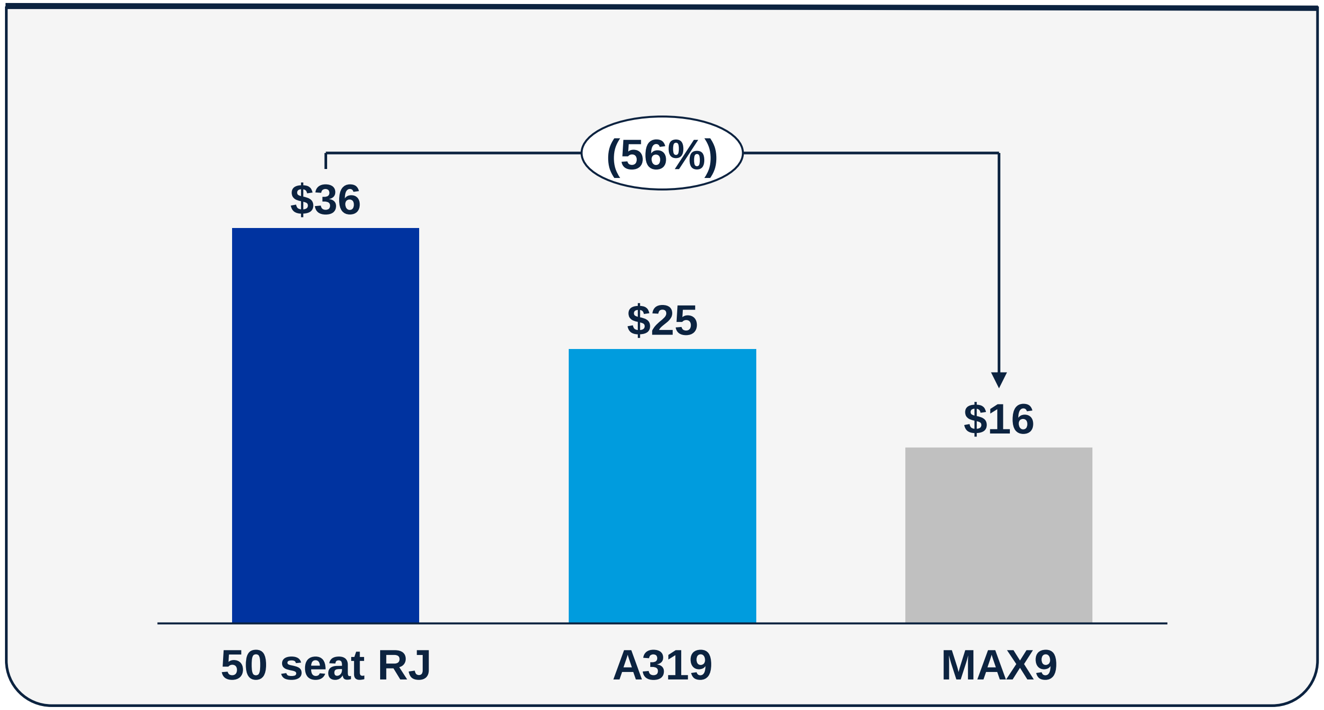
- Efficient growth with improved productivity reduces average labor cost
- Better utilization of gates, facilities, and overhead means only a modest increase in fixed cost base

United can grow with marginal CASM-ex[1] below 6¢

[1] CASM-ex (operating expense per available seat mile) excludes fuel, profit sharing, third-party business expenses and special charges. CASM-ex is a non-GAAP financial measure. The Company is not able to provide guidance with respect to CASM, the most comparable GAAP measure, without unreasonable efforts.

New generation large narrowbody aircraft provide significant fuel burn reduction

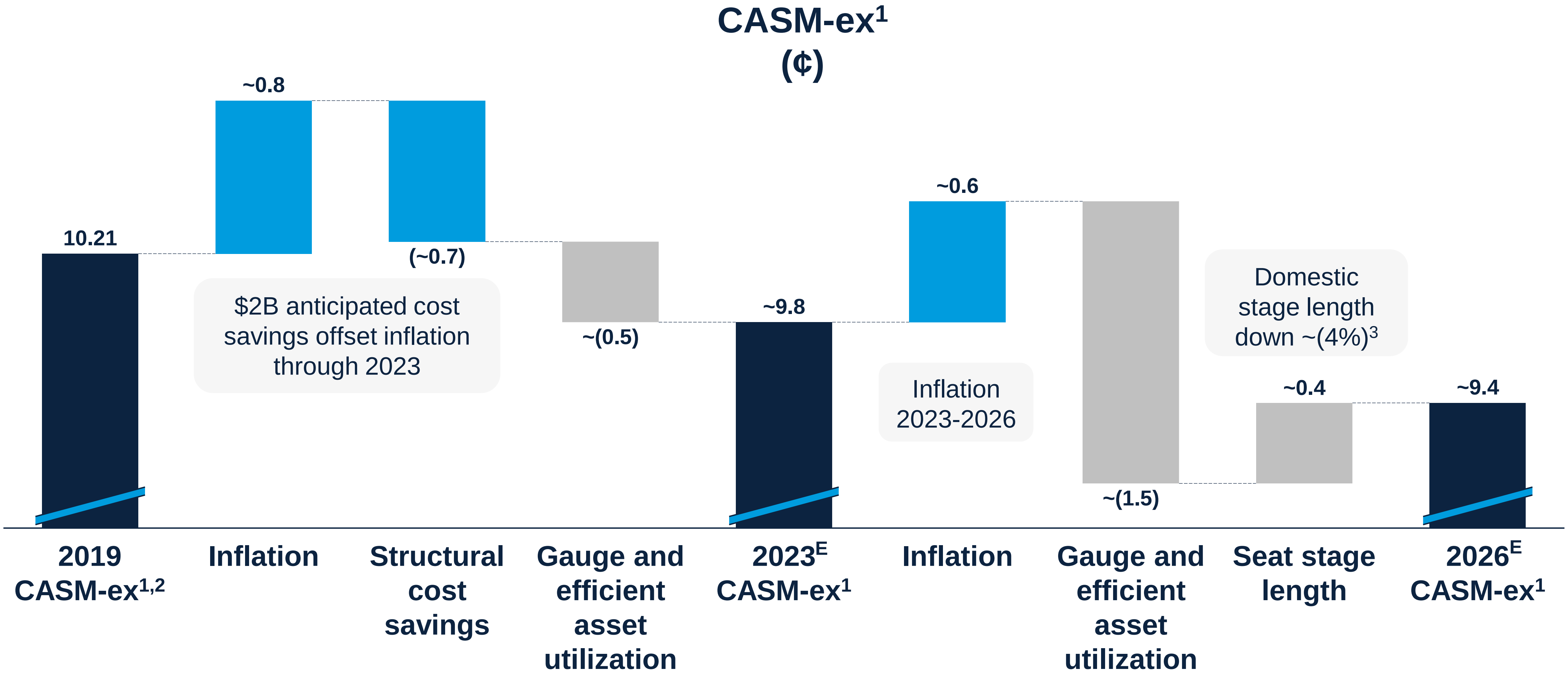
Fuel cost per seat[1]



Newer aircraft are at least 50% more fuel efficient per seat than our least efficient fleets

[1] Measured as fuel cost per seat at 700 mile stage length

'United Next' plan results in ~(8%) lower CASM-ex[1] in 2026 compared to pre-crisis levels



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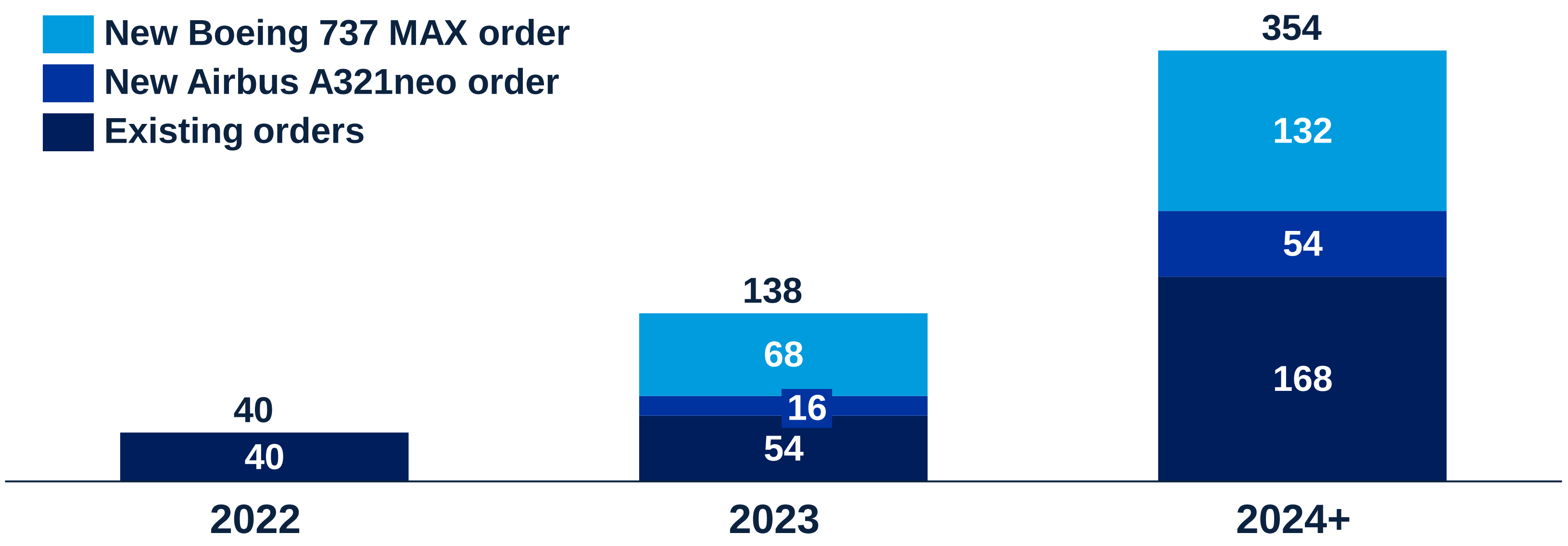
New orders complement existing orderbook

Aircraft deliveries



Capacity CAGR[1] 4.0% to 6.0% through 2026

[1] Compound Annual Growth Rate versus 2019

We will retain significant flexibility to manage macro environment

New aircraft can be used for growth or replacement

From 2023-2026, up to 275 aircraft can be retired, driving fuel efficiency and improved CASM-ex[1]

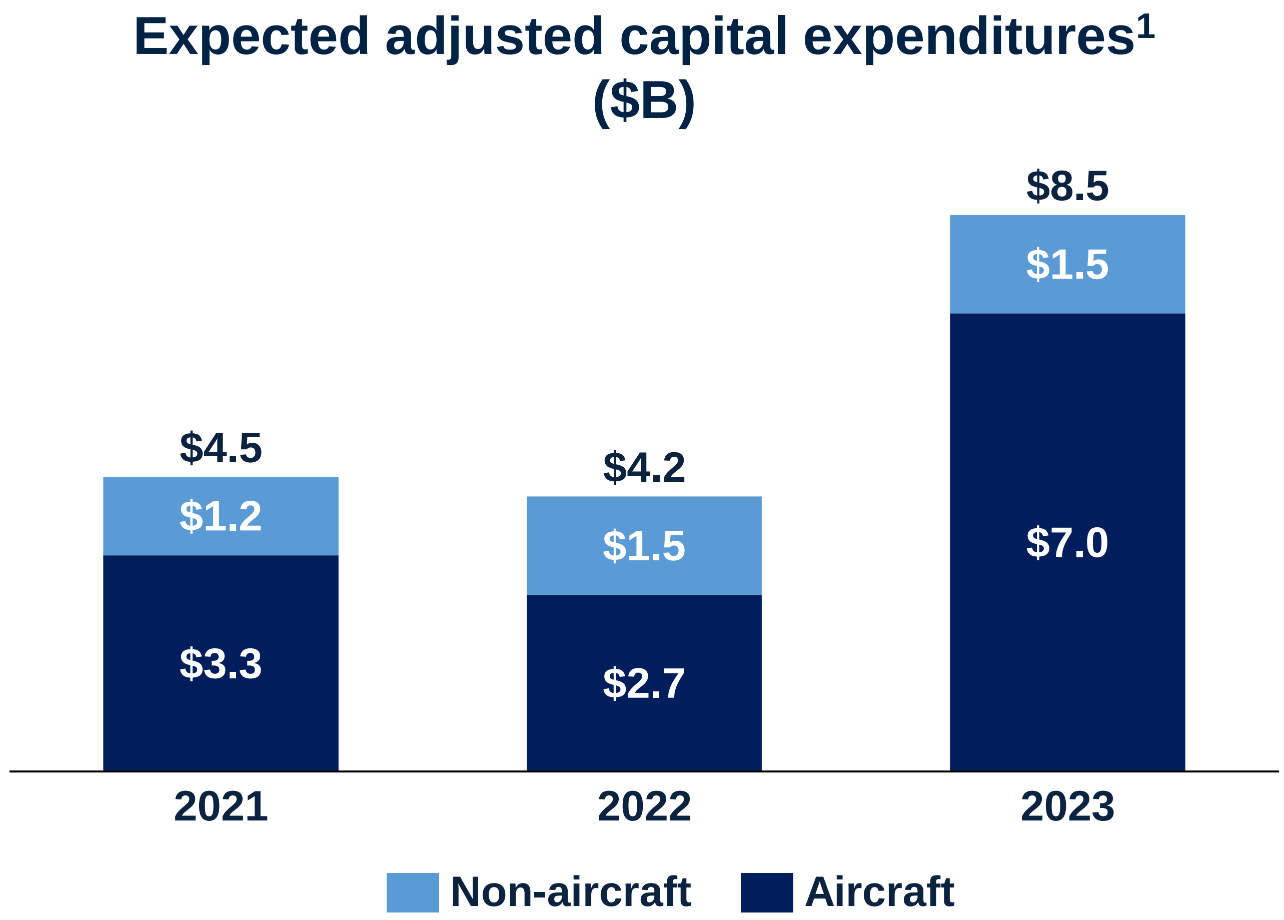
Delivery timing flexibility

Delivery timing can be adjusted in response to macro environment

We have flexibility for a range of capacity scenarios if the recovery stalls

[1] CASM-ex (operating expense per available seat mile) excludes fuel, profit sharing, third-party business expenses and special charges. CASM-ex is a non-GAAP financial measure.

Projected near-term capital investment



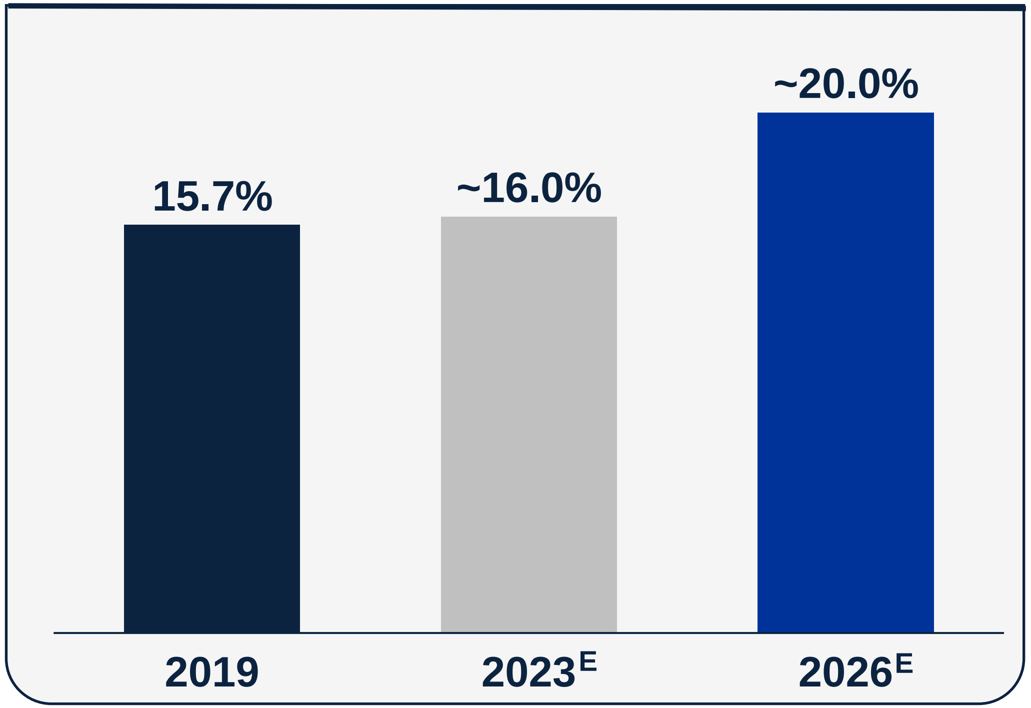
[1] Non-GAAP measure that includes projects acquired through the issuance of debt and finance leases. Non-cash capital expenditures are not determinable at this time. Accordingly, United does not provide capital expenditures guidance on a GAAP basis. All numbers are approximate.

UNITED

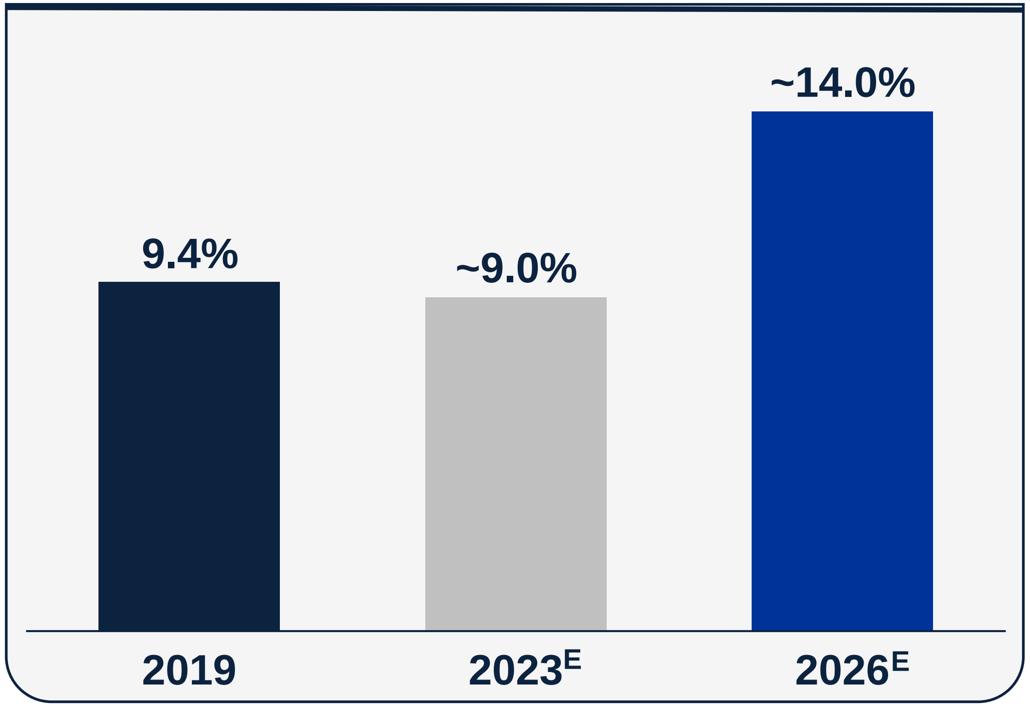
‘United Next’ cost structure improvements will enable earnings expansion

Expect margin growth even if TRASM is down ~(4%) in 2023 and down ~(1%) in 2026, versus 2019

Adjusted EBITDA margin[1]



Adjusted pre-tax margin[2]



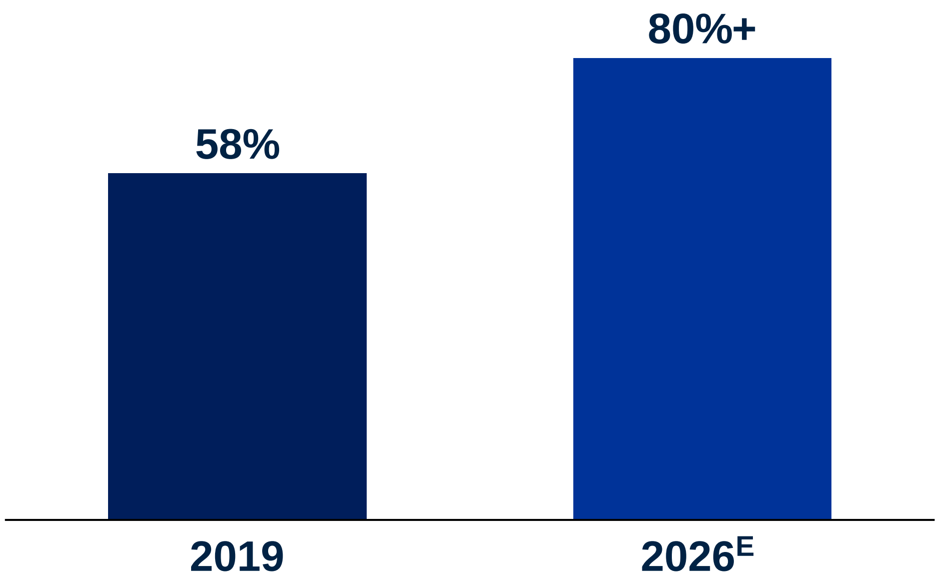
Expect CASM-ex[3] to be down ~(4.0%) in 2023 and down ~(8.0%) in 2026, versus 2019

[1] Adjusted EBITDA margin is a non-GAAP financial measure calculated as Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), excluding special charges and unrealized (gains) losses on investments, divided by total operating revenue. We are not providing a target or a reconciliation to profit margin (net income/total operating revenue), the most directly comparable GAAP measure, because we are unable to predict certain items contained in the GAAP measure without unreasonable efforts. Adjusted EBITDA margin does not reflect certain items, including special charges and unrealized (gains) losses on investments, which may be significant.; [2] Excludes special charges and the mark-to-market impact of financial instruments, the nature of which are not determinable at this time. As a result, we are not able to provide guidance with respect to pre-tax margin, the most directly comparable GAAP measure, without unreasonable efforts; [3] Adjusted CASM-ex (operating expense per available seat mile) is a non-GAAP measure that excludes fuel, profit sharing, third-party business expenses and special charges; [E] Estimated; Note: for a GAAP to Non-GAAP reconciliation, see Appendix A

Cash flow

Expect operating cash flow to cover our adjusted capital expenditures in 2022 through 2024

Adjusted free cash flow conversion[1]

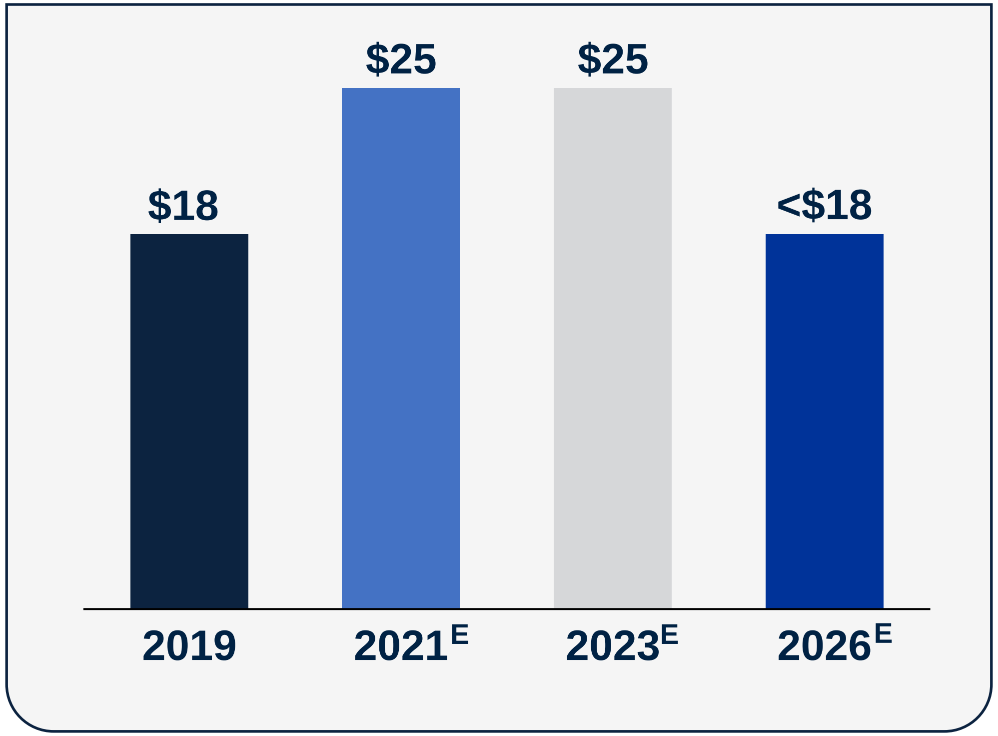


Targeting at least 80% free cash flow conversion[1] in 2026+

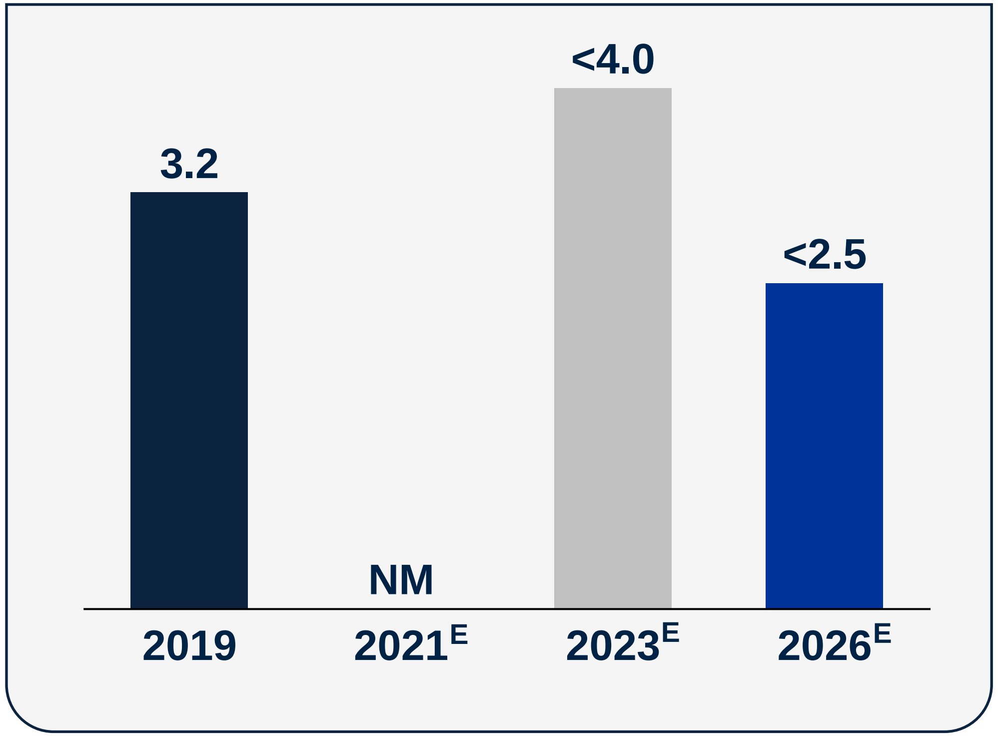
[1] Defined as adjusted free cash flow divided by adjusted net income. Adjusted free cash flow is defined as operating cash flow less adjusted capital expenditures. Adjusted capital expenditures is a non-GAAP measure that includes projects acquired through the issuance of debt and finance leases. Non-cash capital expenditures are not determinable at this time. Accordingly, United does not provide capital expenditures guidance on a GAAP basis. Adjusted net income excludes special charges and the mark-to-market impact of financial instruments, the nature of which are not determinable at this time; E Estimated

Balance sheet restoration in 2026 to pre-crisis levels

Adjusted net debt[1] ($B)



Adjusted total debt[2] to adjusted EBITDAR[3]



[1] Adjusted net debt is a non-GAAP measure defined as adjusted total debt less cash and cash equivalents and short term investments; [2] Adjusted total debt is a non-GAAP measure that includes current and long-term debt, operating lease obligations and finance lease obligations and noncurrent pension and postretirement obligations; [3] Adjusted EBITDAR is a non-GAAP measure that measures adjusted earnings before interest, income taxes, depreciation, amortization, aircraft rent and excluding special charges, and unrealized (gains) losses impact of investments. Special charges and unrealized (gains) losses impact of investments are not determinable at this time, accordingly, the Company cannot provide guidance with respect to net income, the most directly comparable GAAP measure, without unreasonable efforts; [E] Estimated; Note: for a GAAP to Non-GAAP reconciliation, see Appendix A

'United Next' will ensure higher margins and result in a stronger balance sheet

Gauge[1] and network	Efficient growth with ~30 more seats per departure by 2026
Revenue	Uniquely United opportunities to capture premium revenue
Unit cost improvement	~(8.0%) lower CASM-ex[2] in 2026 versus 2019

Strategic fleet purchase unlocks United's profit maximizing potential

[1] North America gauge; [2] CASM-ex (operating expense per available seat mile) excludes fuel, profit sharing, third-party business expenses and special charges. CASM-ex is a non-GAAP financial measure. The Company is not able to provide guidance with respect to CASM, the most comparable GAAP measure, without unreasonable efforts.

Appendix

Financial targets

	FY19	FY23[E]	FY26[E]
Capacity (CAGR[1] vs. 2019)	285M	4% - 5%	4% - 6%
TRASM (vs. 2019)	15.18¢	~(4%)	~(1%)
CASM-ex[2] (vs. 2019)	10.21¢	~(4%)	~(8%)
Fuel price / gallon	$2.09	$2.07	$2.20
Adj. EBITDA margin[3]	15.7%	~16%	~20%
Adj. pre-tax margin[4]	9.4%	~9%	~14%
Adj. net debt ($B)[5]	$18	$25	< $18
Adj. total debt[6] / adj. EBITDAR[7]	3.2x	< 4.0x	< 2.5x

[1] Compound Annual Growth Rate; [2] Adjusted CASM-ex (operating expense per available seat mile) is a non-GAAP measure that excludes fuel, profit sharing, third-party business expenses and special charges. The Company is not able to provide guidance with respect to CASM, the most comparable GAAP measure, without unreasonable efforts; [3] Adjusted EBITDA margin is a non-GAAP financial measure calculated as Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), excluding special charges and unrealized (gains) losses on investments, divided by total operating revenue. We are not providing guidance with respect to profit margin (net income/total operating revenue), the most directly comparable GAAP measure, because we are unable to predict certain items contained in the GAAP measure without unreasonable efforts. Adjusted EBITDA margin does not reflect certain items, including special charges and unrealized (gains) losses on investments, which may be significant; [4] Excludes special charges and the mark-to-market impact of financial instruments, the nature of which are not determinable at this time. As a result, we are not able to provide guidance with respect to pre-tax margin, the most directly comparable GAAP measure, without unreasonable efforts; [5] Adjusted net debt is defined as adjusted total debt less cash and cash equivalents and short term investments; [6] Adjusted total debt is a non-GAAP measure that includes current and long-term debt, operating lease obligations and finance lease obligations and noncurrent pension and postretirement obligations; [7] Adjusted EBITDAR is a non-GAAP measure that measures adjusted earnings before interest, income taxes, depreciation, amortization, aircraft rent and excluding special charges, and unrealized (gains) losses impact of investments. Special charges and unrealized (gains) losses impact of investments are not determinable at this time, accordingly, the Company cannot provide guidance with respect to net income, the most directly comparable GAAP measure, without unreasonable efforts; [E] Estimated

Appendix A: reconciliation of GAAP to Non-GAAP financial measures

United evaluates its financial performance utilizing various accounting principles generally accepted in the United States of America (GAAP) and Non-GAAP financial measures, including adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) and rent (adjusted EBITDAR), adjusted EBITDA margin, adjusted pre-tax income (loss), adjusted pre-tax margin, and adjusted net income (loss), excluding special charges, third-party business expenses, fuel, and profit sharing, among others. UAL believes that adjusting for special charges (credits) and other non-recurring adjustments is useful to investors because these items are not indicative of UAL's ongoing performance. UAL believes that adjusting for unrealized (gains) losses on investments, net is useful to investors because those unrealized gains or losses may not ultimately be realized on a cash basis. United also provides financial metrics, including adjusted total debt, adjusted net debt, free cash flow, and free cash flow conversion, that we believe provides useful supplemental information for management and investors.

CASM is a common metric used in the airline industry to measure an airline's cost structure and efficiency. UAL reports CASM excluding special charges (credits), third-party business expenses, fuel and profit sharing. UAL believes that adjusting for special charges (credits) is useful to investors because special charges (credits) are not indicative of UAL's ongoing performance. UAL also believes that excluding third-party business expenses, such as maintenance, ground handling and catering services for third parties, provides more meaningful disclosure because these expenses are not directly related to UAL's core business. UAL also believes that excluding fuel costs from certain measures is useful to investors because it provides an additional measure of management's performance excluding the effects of a significant cost item over which management has limited influence. UAL excludes profit sharing because this exclusion allows investors to better understand and analyze our operating cost performance and provides a more meaningful comparison of our core operating costs to the airline industry.

UNITED

Appendix A: reconciliation of GAAP to Non-GAAP financial measures

CASM (cents)	Year Ended December 31, 2019
Cost per available seat mile (CASM) (GAAP)	13.67
Special charges	0.09
Third-party business expenses	0.06
Fuel expense	3.14
Profit sharing	0.17
CASM, excluding special charges, third-party business expenses, fuel, and profit sharing (Non-GAAP)	10.21

Appendix A: reconciliation of GAAP to Non-GAAP financial measures (continued)

Adjusted EBITDA and adjusted EBITDAR

(In millions)	Year Ended December 31, 2019
Total Operating Revenue	$ 43,259
Net income	3,009
Adjusted for:	
Depreciation and amortization	2,288
Interest expense, net of capitalized interest and interest income	513
Income tax expense	905
Special charges	246
Nonoperating unrealized (gains) losses on investments, net	(153)
Adjusted EBITDA, excluding special charges and other non-recurring items	$ 6,808
Aircraft rent	288
Adjusted EBITDAR, excluding special charges and other non-recurring items	$ 7,096
Adjusted EBITDA margin	15.7 %
Adjusted total debt divided by adjusted EBITDAR	3.2

Adjusted total debt and adjusted net debt

(In millions)	As of December 31, 2019
Current maturities of long-term debt	$ 1,407
Current maturities of finance leases	46
Current maturities of operating leases	686
Long-term debt	13,145
Long-term obligations under finance leases	220
Long-term obligations under operating leases	4,946
Noncurrent postretirement benefit liability	789
Noncurrent pension liability	1,446
Adjusted total debt (Non-GAAP)	$ 22,685
Less: cash and cash equivalents	(2,762)
Less: short-term investments	(2,182)
Adjusted net debt (Non-GAAP)	$ 17,741

Appendix A: reconciliation of GAAP to Non-GAAP financial measures (continued)

Adjusted pre-tax income and adjusted pre-tax margin

(In millions)	Year Ended December 31, 2019	Year Ended December 31, 2018
Total Operating Revenue	43,259	41,303
Pre-tax income (loss) (GAAP)	3,914	2,648
Adjusted to exclude:		
Special charges	246	487
Unrealized (gains) losses on investments, net	(153)	5
Interest expense on ERJ 145 finance leases	64	26
Adjusted pre-tax income (loss) (Non-GAAP)	$ 4,071	$ 3,166
Pre-tax margin	9.0 %	6.4 %
Adjusted pre-tax margin (Non-GAAP)	9.4 %	7.7 %

Appendix A: reconciliation of GAAP to Non-GAAP financial measures (continued)

Free Cash Flow (FCF), Adjusted Net Income, and FCF Conversion

(In millions)	Year Ended December 31, 2019
Capital expenditures (GAAP)	$4,528
Property and equipment acquired through debt and finance leases	515
Adjusted capital expenditures (Non-GAAP)	$5,043
Free Cash Flow	
Net cash provided by operating activities (GAAP)	$6,909
Less adjusted capital expenditures (Non-GAAP)	5,043
Less aircraft operating lease additions	56
Free cash flow (Non-GAAP)	$1,810

(In millions)	Year Ended December 31, 2019
Net income (GAAP)	$3,009
Adjusted to exclude:	
Special charges	246
Unrealized (gains) losses on investments, net	(153)
Interest expense on ERJ 145 finance leases	64
Income tax benefit related to adjustments above, net of valuation allowance	(35)
Adjusted net income (Non-GAAP)	$3,131
Free Cash Flow Conversion (Free cash flow divided by adjusted net income)	58%