## **Top Airline Stocks To Buy In 2023 Summary • "United Airlines" and "Delta Air Lines" have posted record earnings, beating analysts' expectations. "American Airlines Group Inc." is anticipated to follow suit. • Demand for air travel is increasing. This earnings season witnessed top-performing airline stocks posting significant year-over-year growth and robust quant-rated fundamentals. • Despite risks and the cyclical nature of the airline industry, analysts predict continued strong performance due to healthy travel demand. • "United Airlines", "Delta Air Lines", and "American Airlines Group Inc." are undervalued, offer year-over-year revenue growth of +50%, and have double-digit gross profit margins. These three stocks are my "Strong Buy" picks, up nearly 50% YTD.**

## **Top U.S. Airline Stocks Take Flight "United Airlines" (NASDAQ:UAL) posted record earnings yesterday, with revenues exceeding analysts' expectations. "United Airlines" followed the same trend as "Delta Air Lines" (NYSE:DAL), whose Q2 earnings beat both top and bottom line results. "United Airlines" and "Delta Air Lines", two of the top U.S. carriers, reported results for the recent quarter. It's expected that "American Airlines Group Inc." will follow "United Airlines" and "Delta Air Lines" in a Thursday earnings announcement, reflecting that travel is getting back to pre-pandemic levels with summer vacation and full-swing demand to "fly the friendly skies".**

## **Although the cyclical business faltered during COVID and over the winter holidays with cancellations and passenger dissatisfaction, airlines are experiencing a turnaround in 2023, reaching record levels over the 4th of July. As people return to airlines, "United Airlines" and "Delta Air Lines", two of the biggest U.S. carriers, are taking flight, dominating market share.**

## **Domestic Market Share of U.S. Airlines (Feb 2022 to Jan 2023): The description provides the market share of various U.S. airlines in the domestic sector from February 2022 to January 2023. Major players in the sector include "United Airlines" with a market share of 15.6%, "Southwest Airlines" at 16.9%, "Delta Air Lines" at 17.3%, and "American Airlines Group Inc." leading with a market share of 17.5%. Essentially, the largest market shares during this period are held by "American Airlines Group Inc.", "Delta Air Lines", and "Southwest Airlines".**

## **Four airlines dominate domestic market share, but only "Delta Air Lines", "United Airlines", and "American Airlines Group Inc." possess the most robust quant-rated fundamentals. "Delta Air Lines" has advanced +49% over the last year. "United Airlines" is up 32%. "American Airlines Group Inc." is up 23%. Consider these top airline stocks - "Delta Air Lines", "United Airlines", and "American Airlines Group Inc." for a portfolio. Top U.S. airlines are flying high (DAL, AAL, UAL).**

## **With these changes, your text is now easier to process for triple extraction, and any ambiguities related to entities have been resolved.**

## **1. Delta Air Lines, Inc.**

## **As of 7/19/23, Delta Air Lines, Inc. has a Market Capitalization of $30.97B.**

## **Delta Air Lines, Inc. holds a Quant Rating of Strong Buy.**

## **As of 7/19/23, Delta Air Lines, Inc. ranks 12 out of 654 in the Quant Sector.**

## **As of 7/19/23, Delta Air Lines, Inc. ranks 3 out of 27 in the Quant Industry.**

## **Delta Air Lines, Inc., the premier passenger airlines carrier, offers air transport for both passengers and cargo. It is a top-ranked U.S. carrier and favored by Morgan Stanley.**

## **Delta Air Lines, Inc. offers elite experiences, including advanced technologies, amenities, and personalized experiences. It is among the top-rated airlines according to Forbes, Fortune, and the Wall Street Journal.**

## **On July 13th, Delta Air Lines, Inc. reported second-quarter earnings that capitalized on its new fleet, increasing the overall capacity by 7%.**

## **In Q2, Delta Air Lines, Inc. reported an EPS of $2.68, beating the estimate by $0.28, and a revenue of $15.58B, beating the estimate by nearly 13%.**

## **Delta Air Lines, Inc.'s premium experiences, which attract and reward brand-loyal frequent flyers, are reflected in Delta's per-unit revenue premiums compared to its competitors.**

## **Delta Air Lines, Inc. has a price-competitive ability and offerings, including a five-cabin segmentation strategy, which led to an industry-leading $0.0409 spread between passenger revenue and costs per mile from 2015 through 2019.**

## **With one of the most extensive frequent flyer programs in the U.S., Delta Air Lines, Inc. generates high-margin revenue streams from banks and credit card rewards.**

## **In the last 90 days, Delta Air Lines, Inc. had nineteen upward estimate revisions by Wall Street analysts with zero downward revisions.**

## **Delta Air Lines, Inc.'s average booking capacity was 85.4% over the five years before the pandemic, topping 88% in average bookings for Q2.**

## **Delta Air Lines, Inc. has strong growth metrics, including an EPS FWD (3-5 year CAGR) of 33.51%, year-over-year forward EBITDA growth of over 700% compared to the sector, and industry-leading profitability in 2022, allowing it to pay more than $550M in profit sharing.**

## **Delta Air Lines, Inc. reported record June quarter revenue of $14.6 billion, a 19% increase over the previous year.**

## **The forward P/E ratio of Delta Air Lines, Inc. is 8.04x, which is more than a 60% discount to the sector median of 20.19x.**

## **Delta Air Lines, Inc. has a forward PEG that is 88% different from the sector.**

## **Delta Air Lines, Inc.'s stock is trading near its 52-week high and its quarterly price performance is rising.**

## **Delta Air Lines, Inc. is considered a strong buy airline and is recommended for inclusion in a portfolio.**

## 2. United Airlines Holdings, Inc.

## As **of 7/19/23, United Airlines Holdings, Inc. has a Market Capitalization of $17.97B.**

## **United Airlines Holdings, Inc. has a Quant Rating of Strong Buy.**

## **As of 7/19/23, United Airlines Holdings, Inc. is ranked 15 out of 654 in the Quant Sector.**

## **As of 7/19/23, United Airlines Holdings, Inc. ranks 4 out of 27 in the Quant Industry.**

## **United Airlines Holdings, Inc. tagline is "Good leads the way".**

## **United Airlines Holdings, Inc.'s Q2 earnings results exceeded analysts' expectations, resulting in a 2.7% increase in shares on Wednesday.**

## **United Airlines Holdings, Inc. reported a Non-GAAP EPS of $5.03, beating the estimate by $0.98, a revenue of $14.18 billion, beating the estimate by $250M, and a net income of $1.08B compared to the $329M for the same period last year.**

## **A decrease in fuel prices contributed to the improved financial performance of United Airlines Holdings, Inc.**

## **United Airlines Holdings, Inc.'s cost-cutting measures and increased capacity led to stronger profitability.**

## **United Airlines Holdings, Inc.'s successful plane investment strategy has enhanced profitability.**

## **United Airlines Holdings, Inc.'s Factor Grades from Seeking Alpha include a 'B' Revisions grade and A+ Growth and Profitability.**

## **The revenue growth (YoY) for United Airlines Holdings, Inc. is +68%, the forward EPS (3-5Y CAGR) is +59%, and the company has strong operating cash flows plus $7.73B in cash.**

## **According to United Airlines CEO Scott Kirby, the financial performance in Q2 and outlook for the remainder of the year are indicators of the success of the United Next strategy.**

## **United Airlines Holdings, Inc. is undervalued, with a forward P/E ratio of over a 70% difference to the sector and a forward PEG of 0.10x versus the sector 1.76x, a difference of -94.57%.**

## **United Airlines Holdings, Inc.'s stock has increased by 47% YTD and +32% over the last year.**

## **United Airlines Holdings, Inc. expects to increase capacity over the next few months.**

## **United Airlines Holdings, Inc. executive team plans to hold a call with analysts on July 20th at 10:30 a.m. EST.**

## **With strong profits and a strong buy rating, United Airlines Holdings, Inc. is predicted to have a successful summer, with American Airlines expected to follow suit.**

## 3. American Airlines Group Inc.

## **American Airlines Group Inc., a Fort Worth-based airline, has a market capitalization of $12.20B as of July 19, 2023.**

## **The Quant Rating for American Airlines Group Inc. is a 'Strong Buy'.**

## **The Quant Sector Ranking for American Airlines Group Inc. is 11 out of 654 as of July 19, 2023.**

## **As of July 19, 2023, American Airlines Group Inc.'s Quant Industry Ranking is 2 out of 27.**

## **American Airlines Group Inc. is set to report earnings on Thursday, July 20th, and expectations are high after strong earnings from competitors Delta Air Lines and United Airlines Holdings, Inc.**

## **Despite a 46% YTD price-performance, American Airlines Group Inc. holds an attractive valuation.**

## **American Airlines Group Inc.'s stock (AAL) has an A+ Valuation grade, as highlighted in the table above.**

## **The company's forward P/E ratio stands at 7.43x, which is a -63% difference when compared to the sector average of 20.19x.**

## **American Airlines Group Inc.'s forward PEG is at a -96% discount, showcasing its extreme discount.**

## **The company maintains strong momentum, outperforming many of its peers.**

## **Before the pandemic, American Airlines Group Inc. experienced difficulties like most airlines.**

## **The goal of American Airlines Group Inc. to expand margins and realize cost savings from its 2013 merger with U.S. Airways did not meet expectations.**

## **Despite this, some improvements have been seen in the company's operating margin as the industry recovers and both business and leisure travel increase.**

## **American Airlines Group Inc. has the youngest fleet among major U.S. carriers, which provides greater efficiency by limiting fuel and maintenance expenses, and also allows the company to expand capacity.**

## **Over the last 90 days, sixteen analysts have revised their estimates upwards for American Airlines Group Inc.**

## **With a year-over-year revenue growth of +50%, strong operating cash flow, and $4.32B in cash, American Airlines Group Inc. is positioned for potential future growth.**

## **Despite the risks associated with the airline industry, American Airlines Group Inc. should be considered as a top stock for an airline portfolio, alongside Delta Air Lines and United Airlines Holdings, Inc.**

## **The airline industry is cyclical and can experience downturns in discretionary spending and leisure travel during economic slowdowns.**

## **Rising costs in an inflationary environment have impacted the industry, despite falling fuel prices.**

## **Since the pandemic, airlines, including American Airlines Group Inc., Delta Air Lines, and United Airlines Holdings, Inc., have been recovering, although overcrowded cabins, labor shortages, and increased costs pose ongoing risks.**

## **Strikes by pilots and airline staff seeking better conditions and pay have affected all three airlines.**

## **Each of my picks, Delta Air Lines, American Airlines Group Inc., and United Airlines Holdings, Inc., has shown fundamental strength, as evidenced by their Quant Ratings and Factor Grades.**

## **Analysts' forward earnings estimates for these airlines are optimistic, having been revised upwards over the last 90 days.**

## **Despite workforce reductions and shortages, these airlines, Delta Air Lines, American Airlines Group Inc., and United Airlines Holdings, Inc., have robust yields amidst robust travel demand and are considered strong buys amongst Top Industrial Stocks.**

## **Delta Air Lines and United Airlines Holdings, Inc. have reported record revenues, and it is anticipated that American Airlines Group Inc. will follow.**

## **All three airlines have demonstrated cost control, strong financials, excellent growth, and are projected to see revenue growth of over +20%.**

## **They also trade at significant discounts, with their forward PEG trading at more than an 85% discount to the sector.**

## **For those interested in Top Rated Stocks, Delta Air Lines, American Airlines Group Inc., and United Airlines Holdings, Inc. are recommended for inclusion in portfolios for 2023.**