United Expects To Have Approximately $17 Billion In Available Liquidity By September 2020
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New, proposed $5 billion MileagePlus transaction, combined with available CARES Act funding, provides even more flexibility to navigate the most disruptive financial crisis in the history of aviation

CHICAGO, June 15, 2020 /PRNewswire/ -- United Airlines (NASDAQ: UAL) today announced that it expects to have total available liquidity of approximately $17 billion at the end of the third quarter of 2020.[1] This dollar amount reflects committed financing of $5 billion to be secured by the airline's loyalty program, MileagePlus, that allows the airline to continue to operate, evolve, and grow the program, as well as $4.5 billion expected to be available to United through the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") Loan Program. The company believes it has sufficient slots, gates and routes collateral available to meet the collateral coverage that may be required for the full $4.5 billion available to the company under the Loan Program. This $9.5 billion of additional liquidity will provide even more flexibility as the airline navigates the most disruptive financial crisis in the history of aviation.

Given the impact COVID-19 has had on travel demand, United has spent the past several months aggressively and proactively cutting costs. The airline has already reduced planned capital expenditures and operating and vendor expenditures, suspended raises and implemented an unpaid time off program for management and administrative employees, put a freeze on hiring, introduced voluntary leave and separation programs, reduced pay for all executives and cut its CEO and President's base salaries by 100%, among other cost-saving measures. United expects an average cash burn of approximately $40 million per day in the second quarter of 2020 and to reduce its average cash burn to approximately $30 million per day in the third quarter of 2020.[2]

Goldman Sachs Lending Partners LLC, Barclays Bank PLC and Morgan Stanley Senior Funding, Inc. have committed to provide, and have agreed to arrange the syndication of, the MileagePlus financing through a term loan facility, which is expected to close, subject to standard conditions precedent, by the end of July 2020. Goldman Sachs Lending Partners LLC will act as the sole structuring agent and lead left arranger for the transaction.

MileagePlus has more than 100 million members, over 100 program partners, and is an essential asset for United. The program has historically generated material and stable revenues and free cash flows, drives customer retention, and increases customer lifetime value. United continues to invest in making MileagePlus the top loyalty program for its members. Last year the airline announced that MileagePlus miles never expire and announced a partnership with CLEAR to offer free and discounted memberships to MileagePlus members. United also introduced PlusPoints, a new industry-leading upgrade benefit for Premier members.

About United

United's shared purpose is "Connecting People. Uniting the World." For more information, visit united.com, follow @United on Twitter and Instagram or connect on Facebook. The common stock of United's parent, United Airlines Holdings, Inc., is traded on the Nasdaq under the symbol "UAL".

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Certain statements in this release are forward-looking and thus reflect the Company's current expectations and beliefs with respect to certain current and future events and anticipated financial and operating performance. Such forward-looking statements are and will be subject to many risks and uncertainties relating to the Company's operations and business environment that may cause actual results to differ materially from any future results expressed or implied in such forward-looking statements. Words such as "expects," "will," "plans," "anticipates," "indicates," "remains," "believes," "estimates," "forecast," "guidance," "outlook," "goals," "targets" and similar expressions are intended to identify forward-looking statements. Additionally, forward-looking statements include statements that do not relate solely to historical facts, such as statements which identify uncertainties or trends, discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward-looking statements in this release are based upon information available to the Company on the date of this release. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except as required by applicable law.

The Company's actual results could differ materially from these forward-looking statements due to numerous factors including, without limitation, the following: the duration and spread of the ongoing global COVID-19 pandemic and the outbreak of any other disease or similar public health threat and the impact on the business, results of operations and financial condition of the Company; the risk that the MileagePlus financing is not completed; the lenders' ability to accelerate the MileagePlus indebtedness, foreclose upon the collateral securing the MileagePlus indebtedness or exercise other remedies if the Company is not able to comply with the covenants in the MileagePlus financing agreement; the final terms of borrowing pursuant to the Loan Program under the CARES Act, if any, and the effects of the grant and promissory note through the Payroll Support Program under the CARES Act; the costs and availability of financing; the Company's significant amount of financial leverage from fixed obligations and ability to seek additional liquidity and maintain adequate liquidity; the Company's ability to comply with the terms of its various financing arrangements; the material disruption of the Company's strategic operating plan as a result of the COVID-19 pandemic and the Company's ability to execute its strategic operating plans in the long term; general economic conditions (including interest rates, foreign currency exchange rates, investment or credit market conditions, crude oil prices, costs of aircraft fuel and energy refining capacity in relevant markets); risks of doing business globally, including instability and political developments that may impact its operations in certain countries; demand for travel and the impact that global economic and political conditions have on customer travel patterns; the Company's capacity decisions and the capacity decisions of its competitors; competitive pressures on pricing and on demand; changes in aircraft fuel prices; disruptions in the Company's supply of aircraft fuel; the Company's ability to cost-effectively hedge against increases in the price of aircraft fuel, if it decides to do so; the effects of any technology failures, cybersecurity or significant data breaches; disruptions to services provided by third-party service providers; potential reputational or other impact from adverse events involving the Company's aircraft or operations, the aircraft or operations of its regional carriers or its code share partners or the aircraft or operations of another airline; the Company's ability to attract and retain customers; the effects of any terrorist attacks, international hostilities or other security events, or the fear of such events; the mandatory grounding of aircraft in the Company's fleet; disruptions to the Company's regional network as a result of the COVID-19 pandemic or otherwise; the impact of regulatory, investigative and legal proceedings and legal compliance risks; the success of the Company's investments in other airlines, including in other parts of the world, which involve significant challenges and risks, particularly given the impact of the COVID-19 pandemic; industry consolidation or changes in airline alliances; the ability of other air carriers with whom the Company has alliances or partnerships to provide the services contemplated by the respective arrangements with such carriers; costs associated with any modification or termination of the Company's aircraft orders; disruptions in the availability of aircraft, parts or support from its suppliers; the Company's ability to maintain satisfactory labor relations and the results of any collective bargaining agreement process with its union groups; any disruptions to operations due to any potential actions by the Company's labor groups; labor costs; the impact of any management changes; extended interruptions or disruptions in service at major airports where the Company operates; U.S. or foreign governmental legislation, regulation and other actions (including Open Skies agreements, environmental regulations and the United Kingdom's withdrawal from the European Union); the seasonality of the airline industry; weather conditions; the costs and availability of aviation and other insurance; the Company's ability to realize the full value of its intangible assets and long-lived assets; any impact to the Company's reputation or brand image and other risks and uncertainties set forth under Part I, Item 1A., "Risk Factors," of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, as updated by the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and the Company's Current Report on Form 8-K filed June 15, 2020, as well as other risks and uncertainties set forth from time to time in the reports it files with the SEC.

[1] Includes liquidity available under the company's $2 billion revolving credit facility, $5 billion of committed financing to be secured by the company's loyalty program, MileagePlus, as well as $4.5 billion expected to be available to the company through the CARES Act Loan Program.

[2] "Cash burn" is defined as net cash from operations, less investing and financing activities. Proceeds from the issuance of new debt (excluding expected aircraft financing), government grants associated with the Payroll Support Program of the CARES Act and any new issuances of UAL common stock are not included in this figure.

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