UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

March 24, 2022
(Date of earliest event reported)

ALASKA AIR GROUP, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

1-8957	**91-1292054**
(Commission File Number)	(IRS Employer Identification No.)

19300 International Boulevard	**Seattle**	**Washington**	**98188**
(Address of Principal Executive Offices)			(Zip Code)

(206) 392-5040
(Registrant's Telephone Number, Including Area Code)
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Ticker Symbol	Name of each exchange on which registered
Common stock, $0.01 par value	ALK	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

☐ Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

This document is also available on our website at http://investor.alaskaair.com.

ITEM 7.01 Regulation FD Disclosure

Pursuant to 17 CFR Part 243 (Regulation FD), the Company is submitting information relating to its financial and operational outlook in a Press Release and an Investor Update. These documents are furnished herein as Exhibit 99.1 and Exhibit 99.2, respectively.

In accordance with General Instruction B.2 of Form 8-K, the information under this item shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing. This report will not be deemed an admission as to the materiality of any information required to be disclosed solely to satisfy the requirements of Regulation FD.

ITEM 9.01 Financial Statements and Other Exhibits

Exhibit 99.1	Press Release dated March 24, 2022
Exhibit 99.2	Investor Update dated March 24, 2022
104	Cover Page Interactive Data File - embedded within the Inline XBRL Document

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALASKA AIR GROUP, INC.
Registrant

Date: March 24, 2022

/s/ CHRISTOPHER M. BERRY
Christopher M. Berry
Vice President Finance and Controller

News

Alaska Air Group

March 24, 2022

Exhibit 99.1

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Alaska Air Group provides update on long-term growth strategy

Company to host Investor Day in New York City today; unveils long-term financial framework and provides full-year 2022 outlook

NEW YORK – Alaska Air Group Inc. (NYSE: ALK), the parent company of Alaska Airlines Inc. and Horizon Air Industries Inc., today will host its Investor Day at 11:30 a.m. Eastern time.

During the event, Alaska Air Group will provide an update on its business performance and growth strategy, including successful pandemic recovery, industry outperformance in guest experience and financial strength, and its path forward for long-term value creation.

"The people of Alaska and Horizon are the foundation of our company and their kind-hearted spirit is why travelers choose to fly with us time and again," said Ben Minicucci, Chief Executive Officer of Alaska Air Group. "The care and industry-leading service they provide and the operational excellence they deliver have allowed us to build incredible loyalty and drive results."

Yesterday, Aviation Week Network's Air Transport World (*ATW*) named Alaska the 2022 *ATW* Airline of the Year, the top honor awarded among the 48th Annual *ATW* Airline Industry Achievement Awards, citing the company's unique strengths and leading performance.

"We're honored to be recognized by Air Transport World as the Airline of the Year – a testament to our people and to everything they've accomplished through the last few tumultuous years," added Minicucci. "Throughout our history, Alaska has consistently outperformed the industry, and we're well positioned to continue that trend, leveraging loyalty, alliances, network growth and our brand to unlock significant value and deliver $400 million of incremental revenue as part of our 2025 strategic plan. Accelerating our transition to single fleets while upgauging for growth is also a key part of that strategy. We care about growth because it enables us to create value for all who depend on us: greater opportunities for our employees, new jobs and increased service to our communities, and returns for our owners."

Runway for Profitable Growth

Members of Alaska's leadership team will outline the competitive advantages that underpin the company's industry-leading performance and strategic growth plan:

1. ***Adding depth to our expansive network:*** Alaska plans to grow an average of 4-8% per year through 2025, in part by investing in the depth of its network. Alaska's 1,200 flights per day take our guests to 120 destinations across North and Central America, including nonstop flights to transcontinental business routes and four Hawaiian Islands. Alaska's network has consistently produced industry-leading margins throughout its history and its measured approach to bringing capacity back post-pandemic enabled a return to profitability ahead of the industry. Together

with the airline's global partners in the **one**world® Alliance, guests can reach over 1,000 destinations while earning and redeeming miles on flights to locations around the world.

2. ***Operating a single, more efficient fleet:*** Today, the company will share plans to accelerate the transition of its fleet of 300+ aircraft to all-Boeing 737 for its mainline operations and all-Embraer E175 jets for regional, by the end of 2023. Consistent with Alaska's low-cost high productivity mindset, these transitions are expected to drive significant economic benefits. As the fleet grows to 400 aircraft by mid-decade, these will manifest through operational simplicity, flexibility and scalability, better fuel efficiency and reduced maintenance costs. The company is also growing cargo business operations by converting two passenger 737-800s to freighters, bringing the total freighter fleet to five.

3. ***Delivering best-in-class care:*** Care is the foundation of Alaska's culture, fueled by its people and reflected in everything they do. It has earned the airline high guest satisfaction and long-term loyalty. The company will continue to invest in developing its people through its Pathways program, which cultivates talent from regional to mainline operations. In addition, it is developing the next generation of pilots and training existing employees for new jobs through its Ascend Pilot Academy. The company is also committed to making measurable progress on initiatives to advance diversity, equity and inclusion.

   With care central to everything Alaska Airlines does, the company will continue to invest in end-to-end guest experiences that deliver on its brand promise. Today, the company announced infrastructure improvements for four of its main hubs – Seattle, Portland, San Francisco and Los Angeles. These investments total $2.3 billion in infrastructure upgrades that will provide a more seamless and enjoyable travel experience for guests and provide access to more gates and state-of-the-art lounges and lobbies.

4. ***Growing Alaska's award-winning loyalty program with a renewed co-branded partnership:*** Alaska and Bank of America today announced an extension of their co-branded credit card agreement through 2030. This agreement will enhance benefits for guests and drive improved profitability for the airline. Alaska's Mileage Plan™ is the industry's most generous loyalty rewards program, with miles earned based on flight distance rather than dollars spent and ability to earn and redeem to over 1,000 global destinations as part of **one**world Alliance. Alaska's co-branded credit card with Bank of America currently offers cardholders Alaska's Famous Companion Fare™, free checked bag, the opportunity to earn 3x the miles on eligible Alaska purchases, 50 percent discount on day passes for Alaska Lounge access, 20 percent back on all inflight purchases and many other travel benefits
5. ***Preserving a resilient business model for long-term value creation***: Alaska's legacy of industry outperformance is guided by strong principles for management and performance. Today, the company published the guidelines that drive its financial sustainability and performance, providing additional transparency around its financial management principles and capital allocation approach. Key components include:
   - Generating returns on capital that consistently exceed the industry and the company's cost of capital
   - Managing the business and allocating capital with a long-term perspective and a consistent set of priorities
   - Placing a high value on producing free cash flow consistently and sustainably

6. ***Sustainable on all fronts:*** Alaska's commitment to long-term value includes prioritized ESG commitments to increase diversity at all levels, to reduce the company's impact on the climate, and to provide transparent accountability on key environmental, social and governance parameters. Last year, the airline set ambitious, but attainable sustainability goals, including being the most fuel-efficient U.S. airline and reaching net-zero carbon emissions by 2040. Further embedding these commitments into its culture, Alaska has linked a portion of its annual

performance-based pay plan for all employees to the carbon intensity of the operation, and a portion of executives' compensation to achieving stronger BIPOC representation in leadership.

Full Year 2022 Outlook
"Alaska's team is committed to outperforming the industry, even while navigating a choppy pandemic recovery and near-term economic volatility," said Shane Tackett, executive vice president finance and Chief Financial Officer of Alaska Air Group. "As people return to travel, they are choosing Alaska. And thanks to the caring spirit of our people, when guests try us, they tend to come back. We are excited for the path ahead and confident in our ability to continue creating value for our employees, guests, communities and shareholders."

As detailed in the company's fourth quarter 2021 and full-year results, Alaska's 2022 outlook includes the following metrics:

Key Metric	Range*
Capacity	Up 1% to 3%
CASM ex-Fuel (Excluding fleet transition costs and lease return expense)	Up 3% to 5%
Capital Expenditures	$1.6 billion to $1.7 billion

***Range increases are compared to 2019 levels

Webcast Information

Alaska's Investor Day presentation will be available via webcast at https://investor.alaskaair.com from 11:30 a.m. Eastern time, concluding at approximately 2:30 p.m. Eastern time. The webcast and presentation materials can be accessed through Alaska's investor relations website. A replay of the webcast will be available following the event.

About Alaska Air Group

Alaska Airlines and our regional partners serve more than 120 destinations across the United States, Belize, Canada, Costa Rica and Mexico. We emphasize Next-Level Care for our guests, along with providing low fares, award-winning customer service and sustainability efforts. Alaska is a member of the **one**world global alliance. With the alliance and our additional airline partners, guests can travel to more than 1,000 destinations on more than 20 airlines while earning and redeeming miles on flights to locations around the world. Learn more about Alaska at news.alaskaair.com. Alaska Airlines and Horizon Air are subsidiaries of Alaska Air Group (NYSE: ALK).

Forward Looking Statements
This presentation may contain forward-looking statements subject to the safe harbor protection provided by Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995. These statements relate to future events and involve known and unknown risks and uncertainties that may cause actual outcomes to be materially different from those indicated by our forward-looking statements, assumptions or beliefs. For a comprehensive discussion of potential risk factors, see Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2021. Some of these risks include competition, labor costs, relations and availability, general economic conditions including those associated with pandemic recovery, increases in operating costs including fuel, inability to meet cost reduction, ESG and other

strategic goals, seasonal fluctuations in demand and financial results, supply chain risks, events that negatively impact aviation safety and security, and changes in laws and regulations that impact our business. All of the forward-looking statements are qualified in their entirety by reference to the risk factors discussed in our most recent Form 10-K and in our subsequent SEC filings. We operate in a continually changing business environment, and new risk factors emerge from time to time. Management cannot predict such new risk factors, nor can it assess the impact, if any, of such new risk factors on our business or events described in any forward-looking statements. We expressly disclaim any obligation to publicly update or revise any forward-looking statements made today to conform them to actual results. Over time, our actual results, performance or achievements may differ from the anticipated results, performance or achievements that are expressed or implied by our forward-looking statements, assumptions or beliefs and such differences might be significant and materially adverse.

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Exhibit 99.2

Alaska Air Group

Investor Update – March 24, 2022

References in this update to “Air Group,” “Company,” “we,” “us,” and “our” refer to Alaska Air Group, Inc. and its subsidiaries, unless otherwise specified.

This update includes expected operational and financial information, including operating cost per available seat mile, excluding fuel and other items (CASMex) and cash flow from operations. Our disclosure of CASMex, provides us (and may provide investors) with the ability to measure and monitor our performance without these items. The most directly comparable GAAP measure is total operating expenses per available seat mile. Please see the cautionary statement under “Forward-Looking Information.”

We are providing information about estimated fuel prices. Management believes it is useful to compare results between periods on an “economic basis.” Economic fuel expense is defined as the raw or “into-plane” fuel cost less any cash we receive from hedge counterparties for hedges that settle during the period, offset by the recognition of premiums originally paid for those hedges that settle during the period. Economic fuel expense more closely approximates the net cash outflow associated with purchasing fuel for our operation.

Forward-Looking Information

This investor update may contain forward-looking statements subject to the safe harbor protection provided by Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995. These statements relate to future events and involve known and unknown risks and uncertainties that may cause actual outcomes to be materially different from those indicated by our forward-looking statements, assumptions or beliefs. For a comprehensive discussion of potential risk factors, see Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2021. Some of these risks include competition, labor costs, relations and availability, general economic conditions including those associated with pandemic recovery, increases in operating costs including fuel, inability to meet cost reduction, ESG and other strategic goals, seasonal fluctuations in demand and financial results, supply chain risks, events that negatively impact aviation safety and security, and changes in laws and regulations that impact our business. All of the forward-looking statements are qualified in their entirety by reference to the risk factors discussed in our most recent Form 10-K and in our subsequent SEC filings. We operate in a continually changing business environment, and new risk factors emerge from time to time. Management cannot predict such new risk factors, nor can it assess the impact, if any, of such new risk factors on our business or events described in any forward-looking statements. We expressly disclaim any obligation to publicly update or revise any forward-looking statements made today to conform them to actual results. Over time, our actual results, performance or achievements may differ from the anticipated results, performance or achievements that are expressed or implied by our forward-looking statements, assumptions or beliefs and such differences might be significant and materially adverse.

AIR GROUP - CONSOLIDATED

This investor update provides information about recent developments and performance trends for Alaska Air Group, Inc. (the Company), and subsidiaries Alaska Airlines and Horizon Air. Due to the unusual nature of 2021 and 2020, all comparisons are to the comparable period in 2019.

On March 24, 2022 we announced plans to accelerate our transition to a single mainline fleet, including plans to retire all Airbus A320 aircraft by early 2023 and our intent to phase out all A321 aircraft by the end of 2023, subject to agreement with counterparties. We also announced plans to transition to a single regional fleet, with all Q400 aircraft to be retired by the end of 2023. Subsequent to our announcement, certain fleet transition costs will be reported as special items. Such costs include impairment charges, lease return costs, and other incremental costs incurred as a consequence of the accelerated fleet transition.

First Quarter 2022 Forecast Information

The following reflects our expectations for first quarter results, which have been updated to reflect recent changes in demand as well as impacts from the extension of our co-branded credit card agreement with Bank of America announced this morning. Bookings in the first quarter have improved dramatically since hitting lows in early January as a result of the Omicron variant. Since then, demand has returned to above 2019 levels and yields have shown significant strength. Corporate bookings have also shown improvement, with recent bookings trends at 60% of 2019 levels. The extension of our credit card agreement and the improvement in the demand environment has resulted in stronger expected results versus our previous guidance.

	Q1 Expectation	*Previous Q1 Expectation*[(a)]
Capacity (ASMs) % change versus 2019	Down ~11% to 12%	Down ~10% to 13%
Revenue passengers % change versus 2019	Down ~17% to 18%	Down ~19% to 21%
Passenger load factor	~76% to 78%	71% to 74%
Total revenue % change versus 2019	Down ~11% to 12%	Down ~14% to 17%
Cost per ASM excluding fuel and special items % (CASMex) change versus 2019	Up 18% to 19%	Up ~15% to 18%
Economic fuel cost per gallon	~$2.62	$2.60 to $2.65[(b)]
Non-operating expense	~$6 to $8 million	~$8 to $10 million
Adjusted Tax Rate	~24% to 25%	~24% to 25%

(a) As updated on Form 8-K on January 27, 2022.
(b) As updated on Form 8-K on March 8, 2022.

Full Year 2022 Forecast Information

The following reflects our expectations for full year results, and introduces adjusted pre-tax margin expectations. Given slightly reduced levels of flying in the first half of the year, capacity for the full year has moderated approximately 2 points from our previously issued expectations. Our unit cost expectations have similarly increased by approximately 2 points. Our full year adjusted pre-tax margin expectation reflects an assumed economic fuel price of $2.80 per gallon based on the current fuel price environment. Given volatility in fuel prices, this assumption is subject to change.

	Full Year Expectation	*Prior Full Year Expectation* [c]
pacity (ASMs) % change versus 2019	Up 1% to 3%	Up 2% to 6%
ASMex change versus 2019[d]	Up 3% to 5%	Up 1% to 3%
ljusted Pre-tax margin[d]	6% to 9%	-
pital Expenditures	$1.6 billion to $1.7 billion	$1.6 billion to $1.7 billion

(c) As updated on the Company's Q4 2021 earnings call on January 27, 2022.

(d) Full year 2022 CASMex expectations and full year 2022 adjusted pre-tax margin expectations exclude special items associated with our fleet transitions. Such special items include impairment charges, lease return costs, and other incremental costs incurred as a consequence of the accelerated fleet transition.

Non-GAAP Reconciliations

Pursuant to Regulation G, we are providing reconciliations of non-GAAP financial measures utilized in our Investor Day presentation to the most directly comparable financial measure reported on a GAAP basis. These non-GAAP financial measures may be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for GAAP results.

Adjusted pre-tax income and margin. We eliminate certain special items (including, but not limited to, Payroll Support Program wage offset, impairment charges, fleet and personnel restructuring charges, mark-to-market fuel hedge accounting adjustments and merger-related costs) from our Income before income tax as we believe the metric provides better visibility into results of operations. Our industry is highly competitive and is characterized by high fixed costs, so even a small reduction in operating costs can result in a significant improvement in operating results. Further, disclosure of results of our operation excluding special items provides investors the ability to measure and monitor performance both including and excluding one-time charges or benefits. Industry analysts and investors consistently measure our performance without these items for better comparability between periods and among other airlines.

Reconciliation of second-half 2021 adjusted pre-tax margin

(in millions)	Q3 2021	Q4 2021	2H 2021
Total Operating Revenues	$ 1,953	$ 1,899	$ 3,852
Income before income tax	245	29	274
Special items	(9)	17	8
Adjusted Income before income tax	$ 236	$ 46	$ 282
Adjusted Pre-tax margin	12 %	2 %	7 %

Reconciliation of historical adjusted pre-tax margin

(in millions)	2021	2020	2019	2018	2017	2016	2015	2014
Total Operating Revenues	$ 6,176	$ 3,566	$ 8,781	$ 8,264	$ 7,894	$ 5,925	$ 5,598	$ 5,368
Income (loss) before income tax	629	(1,840)	1,016	585	1,159	1,316	1,312	975
Special items	(972)	89	38	154	109	104	32	(53)
Adjusted Income (loss) before income tax	$ (343)	$ (1,751)	$ 1,054	$ 739	$ 1,268	$ 1,420	$ 1,344	$ 922
Adjusted Pre-tax margin	(6)%	(49)%	12 %	9 %	16 %	24 %	24 %	17 %

(in millions)	2013	2012	2011	2010	2009	2008	2007	2006
Total Operating Revenues	$ 5,156	$ 4,657	$ 4,318	$ 3,832	$ 3,400	$ 3,663	$ 3,506	$ 3,334
Income (loss) before income tax	816	514	394	406	203	(213)	201	(91)
Special items	(200)	38	69	18	(53)	224	(52)	304
Adjusted Income (loss) before income tax	$ 616	$ 552	$ 463	$ 424	$ 150	$ 11	$ 149	$ 213
Adjusted Pre-tax margin	12 %	12 %	11 %	11 %	4 %	— %	4 %	6 %

(in millions)	2005	2004	2003	2002	2001	2000
Total Operating Revenues	$ 2,975	$ 2,724	$ 2,445	$ 2,224	$ 2,153	$ 2,194
Income (loss) before income tax	137	(21)	29	(102)	(64)	(27)
Special items	(46)	26	(71)	-	10	-
Adjusted Income (loss) before income tax	$ 91	$ 5	$ (42)	$ (102)	$ (54)	$ (27)
Adjusted Pre-tax margin	3 %	— %	(2)%	(5)%	(3)%	(1)%