
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

October 14, 2021
(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
(Commission File Number)

91-1292054
(IRS Employer Identification No.)

19300 International Boulevard
(Address of Principal Executive Offices)

Seattle

Washington

98188
(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 5.02. Election of Directors

On October 12, 2021, the Board of Directors of Alaska Air Group, Inc. (the "Company") appointed Adrienne Lofton to the Company's and its airline subsidiaries' boards of directors, effective immediately. She was also appointed to the Safety and Innovation Committees of the Company's Board of Directors.

Ms. Lofton will participate in the current director compensation arrangements applicable to non-employee directors. Under the terms of those arrangements, Ms. Lofton will receive a prorated annual cash retainer of \$45,150 for service on the Company's board for the period from her appointment until the Company's next annual meeting of stockholders. In addition, under the Company's 2016 Performance Incentive Plan, Ms. Lofton will receive on October 15, 2021 a grant of Alaska Air Group, Inc. common shares, determined by dividing the grant value of \$59,260 by the closing price of the Company's common stock on that date.

In connection with Ms. Lofton's appointment, the number of seats on the Company's and its airline subsidiaries' boards of directors was increased by actions of each board from 13 to 14.

ITEM 7.01. Regulation FD Disclosure

On October 14, 2021, the Company issued a press release announcing the appointment of Ms. Adrienne Lofton to the Company's board of directors. The press release is furnished as Exhibit 99.1.

Pursuant to 17 CFR Part 243 (Regulation FD), the Company is submitting information relating to its financial and operational outlook in an Investor Update. The Investor Update is furnished herein as Exhibit 99.1.

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 October 14, 2021

[Exhibit 99.2](#) Investor update dated October 14, 2021

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: October 14, 2021

/s/ KYLE B. LEVINE

Kyle B. Levine

Senior Vice President, Legal, General Counsel and Corporate Secretary

/s/ CHRISTOPHER M. BERRY

Christopher M. Berry

Vice President Finance and Controller

Oct. 14, 2021

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Alaska Air Group appoints tech executive to board of directors

SEATTLE — Alaska Air Group, Inc. announced today the appointment of Adrienne Lofton to the company's board of directors. Lofton, a marketing and retail omnichannel veteran who has extensive experience transforming some of the nation's best-known consumer brands, will also serve on the boards of the company's airline subsidiaries Alaska Airlines, Inc. and Horizon Air Industries, Inc.

Lofton is the vice president of global brand marketing at Google, where she oversees the integrated consumer experience for Google's platforms & ecosystems portfolio (inclusive of Android, Chrome, Google Play and Education). She previously served as vice president and head of North America marketing at Nike Inc, and as Under Armour's senior vice president, of global marketing, operations and philanthropy.

Lofton has deep cross-industry experience that includes leadership roles at Levi Strauss & Co., where she was chief marketing officer for the global Dockers brand and Target Corporation, where she helped spearhead the company's multicultural marketing focus and provided cross-categorical leadership across its iconic master brand. She began her career at Gap Inc. and also worked at Starcom, focused on the General Motors portfolio.

"With her broad experience in differing brand strategies, innovation and driving meaningful customer relationships, Adrienne will be a tremendous addition to our board," said Alaska Air Group Chairman Brad Tilden. "She will help us move our business forward as we strive toward creating an airline people love and further establish Alaska as a national brand."

Lofton will serve on the board's Innovation and Safety committees. The appointment of Lofton brings the total number of Alaska Air Group directors to 14, 12 of whom are independent. With

Lofton's appointment, the AAG Board's make-up of independent directors is now 42 percent female and 50 percent racially diverse.

Lofton earned her bachelor's degree from Howard University in Washington, D.C., where she was captain of the Howard University volleyball team.

About Alaska Airlines

Alaska Airlines and its regional partners serve more than 120 destinations across the United States and to Mexico, Canada and Costa Rica. The airline emphasizes [Next-Level Care](#) for its guests, along with providing low fares, award-winning customer service and sustainability efforts. Alaska is a member of **oneworld**. With the global alliance and the airline's additional 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 newsroom.alaskaair.com and blog.alaskaair.com. Alaska Airlines and Horizon Air are subsidiaries of Alaska Air Group (NYSE: ALK).

Alaska Air Group

Investor Update - October 14, 2021

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 CASM_{ex}, 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 update contains forward-looking statements subject to the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, 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 any forward-looking statements. 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, 2020. Some of these risks include the risks associated with contagious illnesses and contagion, such as COVID-19, general economic conditions, increases in operating costs including fuel, competition, labor costs and relations, our indebtedness, inability to meet cost reduction goals, seasonal fluctuations in our financial results, an aircraft accident, and changes in laws and regulations. All of the forward-looking statements are qualified in their entirety by reference to the risk factors discussed therein. 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 after the date of this report to conform them to actual results. Over time, our actual results, performance or achievements will likely differ from the anticipated results, performance, or achievements that are expressed or implied by our forward-looking statements, and such differences might be significant and materially adverse.

AIR GROUP - CONSOLIDATED

Forecast Information

The public health and economic crises resulting from the outbreak of COVID-19 have dramatically impacted demand for air travel and driven significant change to our business operation and performance. From the beginning of these crises, the recovery path has been volatile and difficult to predict. If circumstances no longer support the plans we have established, our expectation for these metrics could change.

We expect to deliver double-digit Q3 pre-tax margins. Changes to our guidance are reflected in the table below, which includes the impact of demand deterioration we experienced during the quarter as a result of the Delta variant surge. Excluded from our expected cash flow from operations is a \$100 million pension contribution made in September, which provided us with a one-time favorable tax benefit. This benefit is the primary driver of the change to our expected adjusted tax rate. We expect our CASMex results will be better than our previous expectation, primarily as a result of a slower than expected ramp up in our staffing levels, as well as lower medical benefit costs than anticipated. Fuel prices increased markedly late in the third quarter, driving our expectations for economic fuel cost per gallon above our previous expectation.

The table below provides our expectations for the third quarter.

	Q3 Expectation^(a)	Previous Q3 Expectation^(c)
Capacity (ASMs) % change versus 2019 ^(a)	Down ~18%	Down ~17% - 18%
Revenue passengers % change versus 2019 ^(a)	Down ~22%	Down ~21% to 23%
Passenger load factor	~80%	~79% to 81%
Total revenue % change versus 2019 ^(a)	Down ~18%	Down 19% to 21%
Cost per ASM excluding fuel and special items % (CASMex) change versus 2019 ^(a)	Up ~9%	Up ~11% to 12%
Cash flow from operations ^(b)	~(\$10) million	~\$0 million to \$50 million
Economic fuel cost per gallon	~\$2.05	~\$1.98
Non-operating expense	~\$12.5 million	~\$13 to \$15 million
Adjusted Tax Rate	~21%	~24% to 25%

(a) Due to the unusual nature of 2020, all comparisons are versus the third quarter of 2019.

(b) Metric represents our GAAP cash flow, excluding any federal income tax payments, tax refunds, or voluntary pension contributions.

(c) See investor update filed September 2, 2021.