ALASKA AIR GROUP INVESTOR DAY
## 2022 Investor Day Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>11:30am – 1:30pm</td>
<td>Ben Minicucci, Chief Executive Officer</td>
</tr>
<tr>
<td></td>
<td>Andrew Harrison, Chief Commercial Officer</td>
</tr>
<tr>
<td></td>
<td>Nat Pieper, SVP, Fleet, Finance &amp; Alliances</td>
</tr>
<tr>
<td></td>
<td>Sangita Woerner, SVP Marketing &amp; Guest Experience</td>
</tr>
<tr>
<td></td>
<td>Dean Athanasia, Bank of America</td>
</tr>
<tr>
<td></td>
<td>Shane Tackett, Chief Financial Officer</td>
</tr>
<tr>
<td>1:30pm – 1:40pm</td>
<td>Break</td>
</tr>
<tr>
<td>1:40pm – 2:30pm</td>
<td>Question &amp; Answer Session</td>
</tr>
</tbody>
</table>
Safe Harbor

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.
WHAT WE BELIEVE

OWN SAFETY

DO THE RIGHT THING

BE KINDHEARTED

BE REMARKABLE

DELIVER PERFORMANCE
CREATING VALUE FOR OUR **STAKEHOLDERS**

**PROFITABLE GROWTH**

Profitable growth creates value for all our stakeholders.
OUR COMMITMENT TO SUSTAINABILITY

Environmental

Social

Governance
GLOBAL AIRLINE OF THE YEAR

Excellence, innovation and leadership
Strong financial discipline
Consistent and excellent safety record
Community, eco and technology leadership
Consistent high standards in customer service
Excellent labor relations
Our team

ANDREW HARRISON
CCO

ANDY SCHNEIDER
SVP People

BEN MINICUCCI
CEO

CHARUJAIN
SVP Merchandising & Innovation

CONSTANCE VON MUEHLEN
COO

DIANA BIRKETT RAKOW
SVP Public Affairs & Sustainability

JOE SPRAGUE
President Horizon

KYLE LEVINE
SVP Legal & General Counsel

NAT PIEPER
SVP Fleet, Finance & Alliances

SANGITA WOERNER
SVP Marketing & Guest Experience

SHANE TACKETT
CFO

20+ YEARS
INDUSTRY TENURE
OUR COMPETITIVE ADVANTAGES

LOW COST, HIGH PRODUCTIVITY MINDSET
OPERATIONAL EXCELLENCE
POWERFUL LOYALTY PROGRAM
REMARKABLE SERVICE & CULTURE OF CARE
We have out-performed industry pre-tax margins for over 2 decades.
Even in the pandemic recovery period we outperformed peers

2021 Stage length adjusted CASM ex. fuel

Industry: 11.21
Alaska: 9.57
15% better

2021 2H adjusted pre-tax margin %

Alaska: 7%
JetBlue: 2%
Delta: 1%
United: 5%
American: 7%
Southwest: 11%

Industry includes: Delta, United, American, Southwest and JetBlue. Stage length adjustment factor of 1,000 miles applied. CASMex as reported by each carrier in SEC filings, including profit sharing costs. Statistical data from DOT Form 41.

Reported Q3 2021 and Q4 2021 adjusted pre-tax margin.
Our competitive advantages and strong financial performance have enabled us to outgrow the industry.

**Compound annual capacity growth rate 2014 - 2019**

- Alaska grew over 3x faster
- Alaska: 13%
- Industry: 4%

**While maintaining an excellent operation**

**On time arrivals**

<table>
<thead>
<tr>
<th>Year</th>
<th>Alaska</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>88%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>87%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>83%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>84%</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>83%</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>85%</td>
<td></td>
</tr>
</tbody>
</table>

As measured by A14. Industry includes: Delta, United, American, Southwest and JetBlue.
OUR RUNWAY TO PROFITABLE GROWTH

EXPANSIVE WEST COAST NETWORK
EFFECTIVE FLEET
COMPPELLING PRODUCT
POWERFUL BRAND & UNPARALLELED LOYALTY
RESILIENT BUSINESS MODEL
ANDREW HARRISON
CHIEF COMMERCIAL OFFICER
OUR RUNWAY TO PROFITABLE GROWTH

EXPANSIVE WEST COAST NETWORK
EFFICIENT FLEET
COMPPELLING PRODUCT
POWERFUL BRAND & UNPARALLELED LOYALTY
RESILIENT BUSINESS MODEL
Delivering $400 million in incremental revenue

- **Fleet Upgauge**: $70M
- **Network & Alliances**: $135M
- **Loyalty & Product**: $195M
Expansive network from West Coast

Over 80% of the US population lives within 50 miles of an airport Alaska serves.
We are a key player diversified across five hubs

<table>
<thead>
<tr>
<th>Location</th>
<th>Daily Departures</th>
<th>Market Share</th>
<th>Change</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEA</td>
<td>350</td>
<td>60%</td>
<td>↓8 PTS</td>
<td>#1</td>
</tr>
<tr>
<td>PDX</td>
<td>110</td>
<td>50%</td>
<td>↓7 PTS</td>
<td>#1</td>
</tr>
<tr>
<td>ANC</td>
<td>70</td>
<td>65%</td>
<td>↓4 PTS</td>
<td>#1</td>
</tr>
<tr>
<td>SFO</td>
<td>90</td>
<td>17%</td>
<td>↓13 PTS</td>
<td>#2</td>
</tr>
<tr>
<td>LAX</td>
<td>80</td>
<td>8%</td>
<td>↓4 PTS</td>
<td>#5</td>
</tr>
</tbody>
</table>
We have profitable growth opportunities

Average annual ASM growth of **4%–8%** targeted through 2025

70% of growth allocated to the Pacific Northwest

30% of growth allocated to California
Growth through 2025 will be highly efficient

- 70% Frequency
- 15% Aircraft Gauge
- 5% Stage Length
- 10% New Markets

90% of growth is in existing markets
oneworld makes us more competitive in Seattle

Our guests have access to more global partners

And can enjoy the benefits of Seattle’s #1 global alliance

- #1 International Seat Share
- #1 International Daily Departures
- #1 International Destinations Served

2022 Partners include: Finnair, Qatar, British Airways, Japan Airlines, American, Air Lingus, Condor, Icelandair, Korean, Singapore and a new partner being announced in April 2022.
oneworld improves California profitability

Partner code in California is increasing

And the benefits are significant

<table>
<thead>
<tr>
<th></th>
<th>2019 to 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska Daily Seats</td>
<td>↑ 30%</td>
</tr>
<tr>
<td>Alaska Total Guests</td>
<td>↑ 50%</td>
</tr>
<tr>
<td>Partner Enabled Guests</td>
<td>90%</td>
</tr>
<tr>
<td>Pre-Tax Margin</td>
<td>↑ 5x</td>
</tr>
</tbody>
</table>

Partner code includes all domestic and international partners selling AS code.

Codeshare example is October 2019 vs October 2021
We are investing in infrastructure to grow: SEA

- 30% More gates
- 25K More sq. ft.
- 2X Lobby throughput by 2024
We are investing in infrastructure to grow: PDX

New lobby 2024
New flagship lounge 2026
We are investing in infrastructure to grow: SFO

Terminal 1 co-location with oneworld
We are investing in infrastructure to grow: LAX

20% More gates by 2024

15K More sq. ft. by 2024
OUR RUNWAY TO PROFITABLE GROWTH

EXPANSIVE WEST COAST NETWORK
EFFICIENT FLEET
COMPPELLING PRODUCT
POWERFUL BRAND & UNPARALLELED LOYALTY
RESILIENT BUSINESS MODEL
Single fleet strengthens our competitive advantages

Low Costs, High Productivity
- Reduced pilot & maintenance cross training

Operational Excellence
- Single maintenance program
- Optimal network efficiency
- Seamless equipment swaps

Strong Partnerships
- Boeing, CFM, Embraer

$75 million annual cost savings
Mainline to single fleet by 2023

Year end fleet counts

Airbus
Boeing
Boeing

2019
2021
2023

71
40
241

Airbus
Boeing 737

Fleet counts reflect aircraft on firm order.
Our regional operation will also move to a single fleet

Year end fleet counts

- **Embraer E175**
  - 2019: 33
  - 2021: 32
  - 2023: 82

- **De Havilland Q400**
  - 2019: 62 (as of 2021, delivery to third-party operator)

Fleet counts reflect aircraft on firm order, including one additional unit delivering to our third-party CPA operator in 2023.
Fleet upgauge enhances profit and environmental efficiency

<table>
<thead>
<tr>
<th>Mainline fleet composition</th>
<th>Upgauge benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Small</strong>&lt;br&gt;110-140 seats</td>
<td>1. Greater revenue opportunity</td>
</tr>
<tr>
<td>5%</td>
<td>2. More premium revenue</td>
</tr>
<tr>
<td>43%</td>
<td>3. Lower cost per seat</td>
</tr>
<tr>
<td>52%</td>
<td>4. Better environmental profile</td>
</tr>
<tr>
<td><strong>Medium</strong>&lt;br&gt;150-165 seats</td>
<td>70-75%</td>
</tr>
<tr>
<td><strong>Large</strong>&lt;br&gt;175+ seats</td>
<td>20-25%</td>
</tr>
<tr>
<td>Type</td>
<td>Target Mix</td>
</tr>
<tr>
<td>--------</td>
<td>------------</td>
</tr>
<tr>
<td>737-10</td>
<td>60</td>
</tr>
<tr>
<td>737-9</td>
<td>70</td>
</tr>
<tr>
<td>737-8</td>
<td>15</td>
</tr>
</tbody>
</table>

Target mix counts include all firm and option aircraft of existing order book.
Greater premium revenue opportunity

**Premium seat mix**
- 2016: 7%
- 2023: 25%

**Premium fare advantage**
- Main Cabin: 1.0x
- Premium Class: 1.3x
- First Class: 2.0x

Premium seat growth includes Premium and First Class seats.

Reflects FY 2021 fare comparisons by cabin.
Upgauge strategy is already delivering benefits

**Upgauge benefits**

1. **Greater revenue opportunity**
   - 19% more seats

2. **More premium revenue**
   - 33% more First Class seats

3. **Lower cost per seat**
   - 14% reduction

4. **Better environmental profile**
   - 25% lower fuel burn and carbon emissions per seat
Fleet Evolution 2019-2026

- Mainline and regional single fleet by 2023
- Gauge: +1% annually
- Premium seats: +62%
- Fleet age flat: 8.0 years in 2019, 8.4 in 2026
- Newest-technology aircraft: 41% of fleet, +38 points

Year end fleet counts

2019: 332
2021: 311
2023: 323
2026: 396

- Boeing 737 Firm
- Embraer E175
- Airbus
- Boeing 737 Options
- De Havilland Q400

Mainline counts assume 10 A321neos retired by year end 2023 and include 52 737 options not yet contracted as firm for delivery in 2024-2026.

Newest-technology aircraft include Boeing MAX and Airbus A321neos.
SANGITA WOERNER
SVP MARKETING & GUEST EXPERIENCE
OUR RUNWAY TO PROFITABLE GROWTH

EXPANSIVE WEST COAST NETWORK
EFFICIENT FLEET
COMPPELLING PRODUCT
POWERFUL BRAND & UNPARALLELED LOYALTY
RESILIENT BUSINESS MODEL
Appealing to a broader range of guests

FIRST CLASS
- Suited-up Flyers
- High Flyers
- Business Nomad
- Points Guy
- Destination Focused

MAIN CABIN
- Opportunist
- Kids in Tow
- Without a Hitch
- Dollar Driven
WE OFFER FANTASTIC VALUE:
HIGH QUALITY PRODUCT
AT A COMPETITIVE FARE
## Industry leading pitch

<table>
<thead>
<tr>
<th>Class</th>
<th>Alaska</th>
<th>American Airlines</th>
<th>Delta</th>
<th>United</th>
<th>Southwest</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Class</td>
<td>40&quot;</td>
<td>37&quot;</td>
<td>37&quot;</td>
<td>37&quot;</td>
<td>N/A</td>
</tr>
<tr>
<td>Premium</td>
<td>35&quot;</td>
<td>33&quot;</td>
<td>34&quot;</td>
<td>34&quot;</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Boxed water
OUR RUNWAY TO PROFITABLE GROWTH

EXPANSIVE WEST COAST NETWORK
EFFICIENT FLEET
COMPPELLING PRODUCT
POWERFUL BRAND & UNPARALLELED LOYALTY
RESILIENT BUSINESS MODEL
Alaska has incredible brand love

#1 Costco Wholesale
#2 Amazon
#3 Microsoft
#4 Alaska Airlines
#5 Nintendo
#6 Starbucks

- Sample size = 998,111
- Results are based on daily surveys conducted between January 1, 2021 to December 31, 2021.
- Question Asked: Do you have a favorable or unfavorable impression of the following? Total Favorable = Top 2 box (Very Favorable+Somewhat Favorable).
Our care in action

HERE FOR YOU...

JOY

EMPATHY

EASE

... AND YOUR WALLET.

VALUE IN FARES

VALUE IN QUALITY

VALUE IN REWARDS
Investing in our people

Alaska CARE Retreat

12,000 Employees
1,025 Leaders
74 Sessions
Shouting CARE from the rooftops

MORE LIKE ALASKA CARELINES.

WE CARE A LOT.

CARE IS ALWAYS IN STYLE.
UNPARALLELED LOYALTY
Most generous program in the industry

Alaska Mileage Plan

Earn at least 30% more miles

Alaska Airlines
SFO TO BOS | ROUND TRIP
5,394 MILES EARNED 54% MORE

Other Airlines
SAME TRIP, SAME FARE
3,492 MILES EARNED

Nearly triple the value of cash back cards

<table>
<thead>
<tr>
<th></th>
<th>Alaska Airlines Visa® Card</th>
<th>1.5% cash back card</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average expected</td>
<td>$100</td>
<td>$150</td>
</tr>
<tr>
<td>value of rewards*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Companion Fare**</td>
<td>$221</td>
<td>—</td>
</tr>
<tr>
<td>2 Free checked bags***</td>
<td>$120</td>
<td>—</td>
</tr>
<tr>
<td>Total annual value</td>
<td>$441</td>
<td>$150</td>
</tr>
</tbody>
</table>

* Redeemed from everyday credit card purchases of $10k annually. ** Savings based on Alaska’s average roundtrip fare in 2019. *** Value for 2 guests taking 1 round trip
Our member mix is more geographically diverse than ever

Concentration of Mileage Plan members
- Pacific Northwest: 46%
- Other geographies: 54%

Concentration of credit card holders
- Pacific Northwest: 56%
- Other geographies: 44%
And our program is growing rapidly across our network

Mileage Plan member growth vs ASMs since 2016

- Pacific Northwest: 1x
- Other geographies: 9x

Credit card holder growth vs ASMs since 2016

- Pacific Northwest: 1x
- Other geographies: 10x

Pacific Northwest includes WA, OR, ID, and AK.
Growth rates determined using mileage plan member and card holder growth calculated from November 2016 through February 2022, and capacity growth from Q2 2016 to Q2 2022.
We have renewed and enhanced our Bank of America co-brand agreement

Renewed agreement highlights

- Renewal extends through 2030
- Expands guest benefits
- Accelerates growth plans across the West Coast
- Significant increase in marketing and technology development funds to grow the program

Total remuneration under the renewed agreement is strong

- 12% CAGR
- +30%

2016 2021 2022
DEAN ATHANASIA
BANK OF AMERICA
PRESIDENT REGIONAL BANKING
SHANE TACKETT
CHIEF FINANCIAL OFFICER
OUR RUNWAY TO PROFITABLE GROWTH

EXPANSIVE WEST COAST NETWORK
EFFICIENT FLEET
COMPELLING PRODUCT
POWERFUL BRAND & UNPARALLELED LOYALTY
RESILIENT BUSINESS MODEL
The investment case for ALK is strong

1. Durable competitive advantages
2. Tenured and capable leadership team
3. Financial position amongst best in industry
4. Competitive position improved versus pre-pandemic
5. Track record of outperformance
6. Clear strategic roadmap that will deliver value
Our balance sheet is among the strongest in the industry, and we did not dilute shareholders.

### Peer group debt to capitalization % as of December 31, 2021

<table>
<thead>
<tr>
<th>Equity Issued vs 2019 (pts)</th>
<th>No</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>+8</td>
<td>+29</td>
<td>+17</td>
<td>+26</td>
<td>+40</td>
<td></td>
<td>+20</td>
</tr>
</tbody>
</table>

Debt to capitalization as reported by each company per SEC filings.
Our network positioning is improved versus 2019

We have reshaped our network

- Connecting strength markets and alliance hubs
- Growth in areas of strength
- Constrained airports served well by new upgauged fleet
- Favorable competitive backdrop

<table>
<thead>
<tr>
<th>Change in domestic ASMs Q2 2019 to Q2 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Alaska</td>
</tr>
<tr>
<td>Peer 1</td>
</tr>
<tr>
<td>Peer 2</td>
</tr>
<tr>
<td>Peer 3</td>
</tr>
<tr>
<td>Peer 4</td>
</tr>
<tr>
<td>Peer 5</td>
</tr>
<tr>
<td>Ind’y ex Alaska</td>
</tr>
<tr>
<td>Alaska vs Industry</td>
</tr>
</tbody>
</table>

Footnote
Our cost position is improving versus our competitors

### CASMex fuel comparison, adjusted for stage length

<table>
<thead>
<tr>
<th>Year</th>
<th>Industry</th>
<th>Alaska</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-2019</td>
<td>9.58</td>
<td>8.25</td>
</tr>
<tr>
<td>2021</td>
<td>11.21</td>
<td>9.57</td>
</tr>
<tr>
<td>Est. 2022</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Cost drivers through 2025

- ↑ New labor deals
- ↑ Inflation
- ↑ Airport costs
- ↓ Structural cost initiatives
- ↓ Single fleet efficiencies
- ↓ Upgauging benefit

Industry includes: Delta, United, American, Southwest and JetBlue. Stage length adjustment factor of 1,000 miles applied. CASMex as reported by each carrier in SEC filings, including. Statistical data from DOT Form 41. 2022 estimate source FactSet consensus for industry as of 3/18/2022 and for Alaska reflects guidance issued 3/24/2022.
Our hedge program provides protection in 2022 from dramatic price increases

**Our 2022 fuel hedges provide ~$200M benefit**

- **Hedge Levels:** 50% of expected consumption
- **Product:** WTI crude oil
- **Instrument:** 20% out of the money call options
- **Layering:** 10% strips starting 18 months in advance, achieving 50% target 6 months in advance

**Our simple, formulaic and transparent program**

- $95
- $107
- $98
- $93
- $89
- $86

- $69
- $71
- $80
- $83
- $84
- $80

Source: Bloomberg WTI forward curve as of March 21, 2022.
Our commercial roadmap is expected to help close RASM gap to industry

Stage length adjusted yield versus industry

Opportunities to close gap versus industry

FLEET UPGRADE $70M

NETWORK & ALLIANCES $135M

LOYALTY & PRODUCT $195M

Industry: Delta, United, American, Southwest, JetBlue; values shown are Industry ex Alaska. Source: Form 41, Total System, Stage Length adjusted to 1000 miles
Our cost and revenue initiatives will lead to continued industry margin outperformance

Historical pre-tax margins

<table>
<thead>
<tr>
<th>Year</th>
<th>ALK Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>#1</td>
</tr>
<tr>
<td>2011</td>
<td>#1</td>
</tr>
<tr>
<td>2012</td>
<td>#1</td>
</tr>
<tr>
<td>2013</td>
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<td>2017</td>
<td>#1</td>
</tr>
<tr>
<td>2018</td>
<td>#3</td>
</tr>
<tr>
<td>2019</td>
<td>#3</td>
</tr>
<tr>
<td>2020</td>
<td>#1</td>
</tr>
<tr>
<td>2021</td>
<td>#1</td>
</tr>
</tbody>
</table>

Industry includes Delta, American, United, Southwest, and JetBlue; Industry adjusted pretax margins represent ASM weighted industry average, excluding Alaska for each period reported. 2022E and 2023 pretax margins source FactSet Consensus as of 3/18/2022 for Industry and Alaska.
The pandemic forced an industry reset and Alaska is leading the recovery

Alaska led the industry in recovery

1st to zero cash burn

1st to positive operating cash flows excluding PSP funds

1st to profitability

1st to return to pre-COVID leverage levels without issuing equity

And delivered the #1 pre-tax margin for 2H 2021

Reported Q3 2021 and Q4 2021 adjusted pre-tax margin.
2022 GUIDANCE AND LONG TERM TARGETS
We will be profitable in March and demand for future travel has been strong

### Q1 2022 guidance update

<table>
<thead>
<tr>
<th>Versus 2019</th>
<th>Previous Expectation</th>
<th>Current Expectation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity</td>
<td>Down 10% to 13%</td>
<td>Down 11% to 12%</td>
</tr>
<tr>
<td>Total revenue</td>
<td>Down 14% to 17%</td>
<td>Down 11% to 12%</td>
</tr>
<tr>
<td>CASM/Ex</td>
<td>Up 15% to 18%</td>
<td>Up 18% to 19%</td>
</tr>
<tr>
<td>Economic fuel PPG</td>
<td>$2.60 to $2.65</td>
<td>~$2.62</td>
</tr>
</tbody>
</table>

### Q2 and beyond

- Dramatic improvement in demand from January lows
- Demand is above 2019 levels
- Yields are above 2019 levels
- Corporate bookings at 60% of 2019 levels
- Pre-tax profitability expected in March and for the remainder of the year
## 2022 guidance & capital expenditures outlook

### FY 2022 guidance

<table>
<thead>
<tr>
<th>Versus 2019</th>
<th>Previous Expectation</th>
<th>Current Expectation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity</td>
<td>Up 2% to 6%</td>
<td>Up 1% to 3%</td>
</tr>
<tr>
<td>CASMEx</td>
<td>Up 1% to 3%</td>
<td>Up 3% to 5%</td>
</tr>
<tr>
<td>Adjusted pre-tax margin %</td>
<td>-</td>
<td>6% to 9%</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>$1.6 to $1.7 billion</td>
<td>$1.6 to $1.7 billion</td>
</tr>
</tbody>
</table>

### Capital expenditures

*In millions, except where noted*

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$1,026</td>
</tr>
<tr>
<td>2018</td>
<td>$960</td>
</tr>
<tr>
<td>2019</td>
<td>$696</td>
</tr>
<tr>
<td>2020</td>
<td>$222</td>
</tr>
<tr>
<td>2021</td>
<td>$292</td>
</tr>
<tr>
<td>2022</td>
<td>$2.0B - $2.1B</td>
</tr>
<tr>
<td>2023</td>
<td>$1.6B - $1.7B</td>
</tr>
</tbody>
</table>

Previous guidance provided on January 27, 2022 earnings call.

Note: pre-tax margin expectation assumes an economic fuel price of $2.80 per gallon, which is subject to change.
Long term we are committed to outperforming industry margins and re-implementing shareholder returns

**ROIC**
At least 200+ bps above cost of capital and higher than industry

**PRE-TAX MARGIN**
11% - 13% and above industry peers

**LEVERAGE**
40% - 50% adjusted debt to capitalization <1.5x net debt to EBTIDAR

**LIQUIDITY**
15% to 25% of revenues

**PENSIONS FUNDED**
>80% on a PBO basis

**FREE CASH FLOW**
Restore to conversion rate of 25% – 75% of net income

**SHAREHOLDER RETURNS**
Long term, return 50% to 100% of free cash flow
Our market valuation still does not reflect our fundamentals and performance

Forward price to earnings ratio

<table>
<thead>
<tr>
<th></th>
<th>Forward Price to Earnings Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>jetBlue</td>
<td>13.4x</td>
</tr>
<tr>
<td>Alaska</td>
<td>9.7x</td>
</tr>
<tr>
<td></td>
<td>8.7x</td>
</tr>
<tr>
<td></td>
<td>6.8x</td>
</tr>
<tr>
<td></td>
<td>6.4x</td>
</tr>
</tbody>
</table>

Change in enterprise value

- jetBlue: 1%
- Alaska: (7%)
- (12%)
- (21%)
- (22%)
- (27%)

Forward Price to earnings ratio based on Factset consensus EPS for FY 2023 by carrier, and stock price as of March 17, 2022.

Enterprise value calculated as Market Capitalization, plus debt, lease liabilities, pension liabilities, less cash. Change calculated from Jan 2020 to December 2021 with market capitalization updated through March 17, 2022.
Net zero by 2040

1. Efficient operations
2. New 737-8, 737-9, and 737-10 aircraft
3. Sustainable aviation fuel (SAF) at a reasonable cost and scale
4. Electrified or hybrid regional fleet
5. Verified, durable carbon offsets, sequestration or direct air capture only as needed to close a gap to target
<table>
<thead>
<tr>
<th>Expansive West Coast Network</th>
<th>Efficient Fleet</th>
<th>Compelling Product</th>
<th>Powerful Brand &amp; Unparalleled Loyalty</th>
<th>Resilient Business Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>$400 million in commercial initiatives</td>
<td>Single fleet for mainline and regional</td>
<td>Industry leading pitch</td>
<td>Investing in our people &amp; culture of CARE</td>
<td>Cost position improving vs. competitors</td>
</tr>
<tr>
<td>Significant frequency growth in core markets</td>
<td>Leveraging upgauge for growth</td>
<td>Investing in products for a broad range of guests</td>
<td>Powerful new co-brand renewal with Bank of America</td>
<td>Initiatives in place to sustain track record of outperformance</td>
</tr>
<tr>
<td>Improved competitive backdrop</td>
<td>Premium seats growing to 25% of seat mix</td>
<td>Most generous value proposition</td>
<td>Rapidly growing and diversified loyalty program</td>
<td>Fortress balance sheet untarnished by pandemic</td>
</tr>
<tr>
<td>Infrastructure investments to support growth</td>
<td>Strong foundational partnerships</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>