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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 15, 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>

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### **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 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](#) Investor Update dated March 15, 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: March 15, 2021

/s/ CHRISTOPHER M. BERRY

Christopher M. Berry

Vice President Finance and Controller

# Alaska Air Group

## Investor Update - March 15, 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<sub>ex</sub>, 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. However, due to the large fluctuations in fuel prices, we are unable to predict total operating expenses for any future period with any degree of certainty. Please see the cautionary statement under “Forward-Looking Information.”

### 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, changes in laws and regulations, and risks inherent in the achievement of anticipated synergies and the timing thereof in connection with the acquisition of Virgin America. 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

### Q1 INFORMATION

#### FINANCIAL AND OPERATING METRICS EXPECTATIONS

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.

The table below provides February results and our expectations for the first quarter.

	February Results <sup>(a)</sup>	Q1 Expectation <sup>(a)</sup>	Previous Q1 Expectation <sup>(c)</sup>
Capacity (ASMs) % change versus 2019 <sup>(a)(b)</sup>	Down ~33%	Down ~33% <sup>(d)</sup>	Down ~30%
Revenue passengers % change versus 2019 <sup>(a)</sup>	Down 59%	Down 55% to 60%	Down 55% to 60%
Passenger load factor	49%	~45% to 50%	~45% to 50%
Total revenue % change versus 2019 <sup>(a)</sup>	Down 69%	Down 55% to 60%	Down 55% to 60%
Cost per ASM excluding fuel and special items % (CASMex) change versus 2019 <sup>(a)</sup>	n/a	Up ~23% <sup>(d)</sup>	Up ~20%
Cash flow from operations	n/a	\$50 to \$100 million	Negative \$100 million to \$0

<sup>(a)</sup> Due to the unusual nature of 2020, all year-over-year comparisons are versus the comparable period 2019.

<sup>(b)</sup> Capacity guidance excludes the impacts of close in cancels that could occur as we monitor demand throughout the period.

<sup>(c)</sup> See investor update filed February 23, 2021.

<sup>(d)</sup> In February, we experienced snow storms across our network, including Seattle, which resulted in irregular operations and the cancellation of flights. As a result of these irregular operations, our capacity guidance has been adjusted down by 3 points for the quarter, and our CASMex expectations adjusted up for the quarter an equivalent amount. While unit costs were pressured as a result of the decline in ASMs, absolute costs were not materially impacted.

#### LIQUIDITY UPDATES

Our first quarter cash flow from operations expectation has increased, as shown in the above table, as bookings for future travel have shown strong improvement in the month of March. This cash flow from operations expectation includes funds that we expect to receive related to the CARES Act Payroll Support Program (PSP) grant. If that funding is not received in March, our guidance would be lower by the amount of the PSP grant funding, or approximately \$200 million.

In March 2020, we entered into a 364-day Senior Secured Term Loan agreement which currently has an outstanding balance of \$371 million, and is due to mature in full on March 25, 2021. We expect to extend the maturity of this agreement into 2022.