

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission File Number **001-33166**



Allegiant Travel Company
(Exact Name of Registrant as Specified in Its Charter)

Nevada

20-4745737

(State or Other Jurisdiction of Incorporation or Organization)

(IRS Employer Identification No.)

1201 North Town Center Drive
Las Vegas, Nevada
(Address of Principal Executive Offices)

89144
(Zip Code)

Registrant's Telephone Number, Including Area Code: **(702) 851-7300**

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.001	ALGT	NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 24, 2023, the registrant had 18,429,004 shares of common stock, \$0.001 par value per share, outstanding.

ALLEGiant TRAVEL COMPANY
FORM 10-Q
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PART I. FINANCIAL INFORMATION**Item 1. Consolidated Financial Statements**

ALLEGiant TRAVEL COMPANY
CONSOLIDATED BALANCE SHEETS
(in thousands)

	March 31, 2023 (unaudited)	December 31, 2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 317,573	\$ 229,989
Restricted cash	17,157	15,457
Short-term investments	690,593	725,063
Accounts receivable	57,798	106,578
Expendable parts, supplies and fuel, net	35,086	35,546
Prepaid expenses and other current assets	181,893	161,636
TOTAL CURRENT ASSETS	1,300,100	1,274,269
Property and equipment, net	2,946,941	2,810,693
Long-term investments	68,801	63,318
Deferred major maintenance, net	162,221	157,410
Operating lease right-of-use assets, net	106,999	111,679
Deposits and other assets	95,359	93,928
TOTAL ASSETS:	\$ 4,680,421	\$ 4,511,297
CURRENT LIABILITIES		
Accounts payable	\$ 65,936	\$ 58,335
Accrued liabilities	225,510	226,276
Current operating lease liabilities	20,200	19,973
Air traffic liability	479,530	379,459
Loyalty program liability	36,417	32,888
Current maturities of long-term debt and finance lease obligations, net of related costs	289,669	152,900
TOTAL CURRENT LIABILITIES	1,117,262	869,831
Long-term debt and finance lease obligations, net of current maturities and related costs	1,816,151	1,944,078
Deferred income taxes	348,334	346,388
Noncurrent operating lease liabilities	89,903	94,972
Loyalty program liability	23,216	23,612
Other noncurrent liabilities	14,158	11,718
TOTAL LIABILITIES:	3,409,024	3,290,599
SHAREHOLDERS' EQUITY		
Common stock, par value \$0.001	25	25
Treasury shares	(672,493)	(660,023)
Additional paid in capital	714,506	709,471
Accumulated other comprehensive income, net	3,242	1,257
Retained earnings	1,226,117	1,169,968
TOTAL EQUITY:	1,271,397	1,220,698
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY:	\$ 4,680,421	\$ 4,511,297

The accompanying notes are an integral part of these consolidated financial statements.

ALLEGiant TRAVEL COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
OPERATING REVENUES:		
Passenger	\$ 609,277	\$ 463,961
Third party products	26,037	22,480
Fixed fee contracts	14,117	13,386
Other	256	282
Total operating revenues	649,687	500,109
OPERATING EXPENSES:		
Aircraft fuel	189,546	164,137
Salaries and benefits	159,623	134,010
Station operations	61,520	65,744
Depreciation and amortization	54,680	46,343
Maintenance and repairs	26,442	27,820
Sales and marketing	26,928	22,350
Aircraft lease rentals	7,092	6,132
Other	30,643	26,202
Special charges	(1,612)	142
Total operating expenses	554,862	492,880
OPERATING INCOME	94,825	7,229
OTHER (INCOME) EXPENSES:		
Interest expense	35,708	19,791
Capitalized interest	(5,180)	(1,216)
Interest income	(10,128)	(773)
Other, net	7	(6)
Total other expenses	20,407	17,796
INCOME (LOSS) BEFORE INCOME TAXES	74,418	(10,567)
INCOME TAX PROVISION (BENEFIT)	18,269	(2,686)
NET INCOME (LOSS)	\$ 56,149	\$ (7,881)
Earnings (loss) per share to common shareholders:		
Basic	\$ 3.09	\$ (0.44)
Diluted	\$ 3.09	\$ (0.44)
Shares used for computation:		
Basic	17,766	17,954
Diluted	17,769	17,954
Cash dividends declared per share:	\$ —	\$ —

The accompanying notes are an integral part of these consolidated financial statements.

ALLEGiant TRAVEL COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
NET INCOME (LOSS)	\$ 56,149	\$ (7,881)
Other comprehensive income:		
Change in available for sale securities, net of tax	1,985	3,355
Total other comprehensive income (loss)	1,985	3,355
TOTAL COMPREHENSIVE INCOME (LOSS)	\$ 58,134	\$ (4,526)

The accompanying notes are an integral part of these consolidated financial statements.

ALLEGIANT TRAVEL COMPANY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands)
(unaudited)

Three Months Ended March 31, 2023

	Common stock outstanding	Par value	Additional paid-in capital	Accumulated other comprehensive income (loss)	Retained earnings	Treasury shares	Total shareholders' equity
Balance at December 31, 2022	<u>18,128</u>	<u>\$ 25</u>	<u>\$ 709,471</u>	<u>\$ 1,257</u>	<u>\$ 1,169,968</u>	<u>\$ (660,023)</u>	<u>\$ 1,220,698</u>
Share-based compensation	(5)	—	5,035	—	—	—	5,035
Shares repurchased by the Company and held as treasury shares	(125)	—	—	—	—	(12,470)	(12,470)
Other comprehensive income	—	—	—	1,985	—	—	1,985
Net income	—	—	—	—	56,149	—	56,149
Balance at March 31, 2023	<u>17,998</u>	<u>\$ 25</u>	<u>\$ 714,506</u>	<u>\$ 3,242</u>	<u>\$ 1,226,117</u>	<u>\$ (672,493)</u>	<u>\$ 1,271,397</u>

Three Months Ended March 31, 2022

	Common stock outstanding	Par value	Additional paid-in capital	Accumulated other comprehensive income (loss)	Retained earnings	Treasury shares	Total shareholders' equity
Balance at December 31, 2021	<u>18,111</u>	<u>\$ 25</u>	<u>\$ 692,053</u>	<u>\$ 2,056</u>	<u>\$ 1,167,475</u>	<u>\$ (638,057)</u>	<u>\$ 1,223,552</u>
Share-based compensation	8	—	3,270	—	—	—	3,270
Other comprehensive income	—	—	—	3,355	—	—	3,355
Net (loss)	—	—	—	—	(7,881)	—	(7,881)
Balance at March 31, 2022	<u>18,119</u>	<u>\$ 25</u>	<u>\$ 695,323</u>	<u>\$ 5,411</u>	<u>\$ 1,159,594</u>	<u>\$ (638,057)</u>	<u>\$ 1,222,296</u>

ALLEGiant TRAVEL COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
Cash flows from operating activities:		
Net income (loss)	\$ 56,149	\$ (7,881)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	54,680	46,343
Special charges	(1,835)	142
Other adjustments	1,592	6,155
Changes in certain assets and liabilities:		
Air traffic liability	100,071	145,169
Other - net	4,743	(13,927)
Net cash provided by operating activities	215,400	176,001
Cash flows from investing activities:		
Purchase of investment securities	(251,937)	(302,161)
Proceeds from maturities of investment securities	288,591	311,332
Aircraft pre-delivery deposits	(33,516)	(46,694)
Purchase of property and equipment	(129,883)	(71,659)
Other investing activities	12,506	(572)
Net cash (used in) investing activities	(114,239)	(109,754)
Cash flows from financing activities:		
Proceeds from the issuance of debt and finance lease obligations	59,516	—
Repurchase of common stock	(12,470)	—
Principal payments on debt and finance lease obligations	(51,492)	(37,335)
Debt issuance costs	(877)	(308)
Other financing activities	(6,554)	—
Net cash (used in) financing activities	(11,877)	(37,643)
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	89,284	28,604
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF PERIOD	245,446	400,701
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF PERIOD	\$ 334,730	\$ 429,305
CASH PAYMENTS FOR:		
Interest paid, net of amount capitalized	\$ 41,645	\$ 18,007
Income tax payments	14	17
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS:		
Flight equipment acquired under finance leases	—	68,211
Purchases of property and equipment in accrued liabilities	69,240	37,083

The accompanying notes are an integral part of these consolidated financial statements.

ALLEGIANT TRAVEL COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1 — Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements include the accounts of Allegiant Travel Company (the "Company") and its majority-owned operating subsidiaries. The Company's investments in unconsolidated affiliates, which are 50 percent or less owned, are accounted for under the equity or cost method, and are insignificant to the consolidated financial statements. All intercompany balances and transactions have been eliminated.

These unaudited consolidated financial statements reflect all normal recurring adjustments which management believes are necessary to present fairly the financial position, results of operations, and cash flows of the Company for the respective periods presented. Certain information and footnote disclosures normally included in the annual consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") have been omitted pursuant to the rules and regulations of the Securities and Exchange Commission for Form 10-Q. These unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company and notes thereto included in the annual report of the Company on Form 10-K for the year ended December 31, 2022 and filed with the Securities and Exchange Commission.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

The Company has reclassified certain prior period amounts to conform to the current period presentation.

Note 2 — Sunseeker Special Charges

As a result of Hurricane Ian's direct hit on the southwest coast of Florida on September 28, 2022, the construction site of Sunseeker Resort at Charlotte Harbor (the "Resort" or "Sunseeker Resort") was damaged. Additionally in the fourth quarter of 2022, there was another weather-related event and a fire that caused additional damage. Based on the Company's assessment of these damages and the anticipated future restoration costs, an estimated loss of \$52.1 million was recorded as a special charge in 2022.

During the quarter ended March 31, 2023, the Company recorded \$1.8 million of insurance recoveries. The recoveries are offset by \$0.2 million of additional losses recorded during the quarter, resulting in a special charge of \$(1.6) million. To date, the Company has recorded insurance recoveries of \$19.9 million related to Hurricane Ian and subsequent insurance events.

Note 3 — Revenue Recognition*Passenger Revenue*

Passenger revenue is the most significant category in the Company's reported operating revenues, as outlined below:

(in thousands)	Three Months Ended March 31,	
	2023	2022
Scheduled service	\$ 311,728	\$ 223,854
Ancillary air-related charges	283,902	229,464
Loyalty redemptions	13,647	10,643
Total passenger revenue	<u>\$ 609,277</u>	<u>\$ 463,961</u>

Sales of passenger tickets not yet flown are recorded in air traffic liability. Passenger revenue is recognized when transportation is provided. As of March 31, 2023, the air traffic liability balance was \$479.5 million, of which approximately \$425.3 million was related to forward bookings, with the remaining \$54.2 million related to credit vouchers for future travel.

The normal contract term of passenger tickets is 12 months and passenger revenue associated with future travel will principally be recognized within this time frame. Of the \$379.5 million that was recorded in the air traffic liability balance as of December 31, 2022, approximately 68.8 percent was recognized into passenger revenue during the three months ended March 31, 2023.

In 2020, the Company announced that credit vouchers issued for canceled travel beginning in January 2020 would have an extended expiration date of two years from the original booking date. This policy continued for vouchers issued through June 30, 2021. Effective July 1, 2021, vouchers issued have an expiration date of one year from the original booking date.

The Company periodically evaluates the estimated amount of credit vouchers expected to expire unused and any adjustment is removed from air traffic liability and included in passenger revenue in the period in which the evaluation is complete. Estimates of passenger revenue to be recognized from air traffic liability for credit voucher breakage may be subject to variability and differ from historical experience due to the change in contract duration and uncertainty regarding demand for future air travel.

Loyalty redemptions

In relation to the travel component of the Allways® Allegiant co-branded credit card contract with Bank of America, the Company has a performance obligation to provide cardholders with points to be used for future travel award redemptions. Therefore, consideration received from Bank of America related to the travel component is deferred based on its relative selling price and is recognized into passenger revenue when the points are redeemed and the underlying service is provided. Similarly, in relation to the Allways Rewards program, points earned through the program are deferred based on the stand-alone selling price and recognized into passenger revenue when the points are redeemed and the underlying service has been provided.

The following table presents the activity of the point liability for the periods indicated:

(in thousands)	Three Months Ended March 31,	
	2023	2022
Points balance at January 1	\$ 56,541	\$ 40,490
Points awarded (deferral of revenue)	16,739	16,957
Points redeemed (recognition of revenue)	(13,647)	(10,643)
Points balance at March 31	<u>\$ 59,633</u>	<u>\$ 46,804</u>

The current portion of the loyalty program liability represents the estimate of revenue to be recognized in the next 12 months based on historical trends, with the remaining balance reflected in noncurrent liabilities expected to be recognized into revenue in periods thereafter.

Note 4 — Property and Equipment

The following table summarizes the Company's property and equipment as of the dates indicated:

(in thousands)	March 31, 2023	December 31, 2022
Flight equipment, including pre-delivery deposits	\$ 3,000,824	\$ 2,937,767
Computer hardware and software	230,034	209,808
Land and buildings/leasehold improvements	62,157	62,227
Other property and equipment	100,213	95,156
Sunseeker Resort	406,192	320,572
Total property and equipment	3,799,420	3,625,530
Less accumulated depreciation and amortization	(852,479)	(814,837)
Property and equipment, net	\$ 2,946,941	\$ 2,810,693

Accrued capital expenditures as of March 31, 2023 and December 31, 2022 were \$69.2 million and \$54.6 million, respectively.

Note 5 — Long-Term Debt

The following table summarizes the Company's long-term debt and finance lease obligations as of the dates indicated:

(in thousands)	March 31, 2023	December 31, 2022
Fixed-rate debt and finance lease obligations due through 2032	\$ 1,719,077	\$ 1,720,998
Variable-rate debt due through 2029	386,743	375,980
Total debt and finance lease obligations, net of related costs	2,105,820	2,096,978
Less current maturities, net of related costs	289,669	152,900
Long-term debt and finance lease obligations, net of current maturities and related costs	\$ 1,816,151	\$ 1,944,078
Weighted average fixed-interest rate on debt	6.4%	6.5%
Weighted average variable-interest rate on debt	6.6%	6.1%

(in thousands)	Maturity Dates	Interest Rate(s) Per Annum at		
		March 31, 2023	March 31, 2023	December 31, 2022
Senior secured notes	2024 — 2027	7.25 % — 8.50%	\$ 700,000	\$ 700,000
Consolidated variable interest entities	2024 — 2029	2.92 % — 4.10%	103,966	79,453
Revolving credit facilities	2024 — 2027	7.32%	62,844	30,327
Debt secured by aircraft, engines, other equipment and real estate	2023 — 2029	1.87 % — 7.45%	438,282	466,335
Finance leases	2028 — 2032	4.44 % — 7.00%	473,339	494,328
Construction loan agreement	2028	5.75%	350,000	350,000
Total debt			\$ 2,128,431	\$ 2,120,443
Related costs			(22,611)	(23,465)
Total debt net of related costs			\$ 2,105,820	\$ 2,096,978

Maturities of long term debt as of March 31, 2023, for the next five years and thereafter, in the aggregate, are:

(in thousands)	As of March 31, 2023
Remaining in 2023	\$ 104,631
2024	365,058
2025	161,775
2026	155,579
2027	709,921
2028	278,929
Thereafter	329,927
Total debt and finance lease obligations, net of related costs	\$ 2,105,820

Revolving Credit Facility

In February 2023, the Company, through a wholly owned subsidiary, entered into a credit agreement with Credit Agricole Corporate and Investment Bank, under which the Company is entitled to borrow up to \$100.0 million. This revolving credit facility replaced a revolving credit facility with the same lender which was to expire in March 2023. The revolving credit facility has a maturity date of March 31, 2026 and the borrowing ability is based on the value of aircraft and engines placed into the collateral pool. The notes under the facility bear interest at a floating rate based on SOFR. As of March 31, 2023, the facility remains undrawn.

Consolidated Variable Interest Entities

In February 2023, the Company, through a wholly owned subsidiary, entered into agreements with a trust to borrow \$27.0 million secured by one Airbus A320 series aircraft. The trust was funded on inception. The borrowing bears interest at a rate of 2.92 percent and is payable in monthly installments through February 2029, at which time the Company will have a purchase option at a fixed amount.

Note 6 — Income Taxes

The Company recorded an \$18.3 million income tax expense at an effective tax rate of 24.5 percent and a \$2.7 million income tax benefit at a 25.4 percent effective tax rate for the three months ended March 31, 2023 and 2022, respectively. The effective tax rate for the three months ended March 31, 2023 differed from the statutory Federal income tax rate of 21.0 percent primarily due to state income taxes and the impact of permanent tax differences. While the Company expects its effective tax rate to be fairly consistent in the near term, it will vary depending on recurring items such as the amount of income earned in each state and the state tax rate applicable to such income. Discrete items during interim periods may also affect the Company's tax rates.

Note 7 — Fair Value Measurements

The Company utilizes the market approach to measure the fair value of its financial assets. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. The assets classified as Level 2 primarily utilize quoted market prices or alternative pricing sources including transactions involving identical or comparable assets and models utilizing market observable inputs for valuation of these securities. No changes in valuation techniques or inputs occurred during the three months ended March 31, 2023.

Financial instruments measured at fair value on a recurring basis:

(in thousands)	As of March 31, 2023			As of December 31, 2022		
	Total	Level 1	Level 2	Total	Level 1	Level 2
Cash equivalents						
Money market funds	\$ 105,574	\$ 105,574	\$ —	\$ 88,073	\$ 88,073	\$ —
Commercial paper	70,727	—	70,727	50,791	—	50,791
Municipal debt securities	7,593	—	7,593	8,599	—	8,599
Total cash equivalents	183,894	105,574	78,320	147,463	88,073	59,390
Short-term						
Commercial paper	373,285	—	373,285	421,279	—	421,279
US Treasury Bonds	23,457	—	23,457	—	—	—
Corporate debt securities	133,273	—	133,273	166,136	—	166,136
Municipal debt securities	12,157	—	12,157	30,426	—	30,426
Federal agency debt securities	148,421	—	148,421	107,222	—	107,222
Total short-term	690,593	—	690,593	725,063	—	725,063
Long-term						
Federal agency debt securities	38,261	—	38,261	20,050	—	20,050
Corporate debt securities	22,904	—	22,904	35,688	—	35,688
Municipal debt securities	7,636	—	7,636	7,580	—	7,580
Total long-term	68,801	—	68,801	63,318	—	63,318
Total financial instruments	\$ 943,288	\$ 105,574	\$ 837,714	\$ 935,844	\$ 88,073	\$ 847,771

None of the Company's debt is publicly held and as a result, the Company has determined the estimated fair value of these notes to be Level 3. Certain inputs used to determine fair value are unobservable and, therefore, could be sensitive to changes in inputs. The Company utilizes the discounted cash flow method to estimate the fair value of Level 3 debt.

Carrying value and estimated fair value of long-term debt, excluding finance leases, including current maturities and without reduction for related costs, are as follows:

(in thousands)	As of March 31, 2023		As of December 31, 2022		Hierarchy Level
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	
Non-publicly held debt	\$ 1,655,092	\$ 1,636,067	\$ 1,626,114	\$ 1,561,939	3

Due to their short-term nature, the carrying amounts of cash, restricted cash, accounts receivable and accounts payable approximate fair value.

Note 8 — Earnings (Loss) per Share

Basic and diluted earnings (loss) per share are computed pursuant to the two-class method. Under this method, the Company attributes net income (loss) to two classes: common stock and unvested restricted stock. Unvested restricted stock awards granted to employees under the Company's Long-Term Incentive Plan are considered participating securities as they receive non-forfeitable rights to cash dividends at the same rate as common stock.

Diluted net income per share is calculated using the more dilutive of the two methods. Under both methods, the exercise of employee stock options is assumed using the treasury stock method. The assumption of vesting of restricted stock, however, differs:

1. Assume vesting of restricted stock using the treasury stock method.
2. Assume unvested restricted stock awards are not vested, and allocate earnings to common shares and unvested restricted stock awards using the two-class method.

For the three months ended March 31, 2022, basic and diluted loss per share are the same because of the loss position.

The following table sets forth the computation of net income (loss) per share, on a basic and diluted basis, for the periods indicated (share count and dollar amounts other than per-share amounts in the table are in thousands):

	Three Months Ended March 31,	
	2023	2022
Basic:		
Net income (loss)	\$ 56,149	\$ (7,881)
Less income allocated to participating securities	(1,254)	—
Net income (loss) attributable to common stock	\$ 54,895	\$ (7,881)
Earnings (loss) per share, basic	\$ 3.09	\$ (0.44)
Weighted-average shares outstanding	17,766	17,954
Diluted:		
Net income (loss)	\$ 56,149	\$ (7,881)
Less income allocated to participating securities	(1,254)	—
Net income (loss) attributable to common stock	\$ 54,895	\$ (7,881)
Earnings (loss) per share, diluted	\$ 3.09	\$ (0.44)
Weighted-average shares outstanding	17,766	17,954
Dilutive effect of stock options and restricted stock	104	—
Adjusted weighted-average shares outstanding under treasury stock method	17,870	17,954
Participating securities excluded under two-class method	(101)	—
Adjusted weighted-average shares outstanding under two-class method	17,769	17,954

Note 9 — Contingencies

The Company is subject to certain legal and administrative actions it considers routine to its business activities. The Company believes the ultimate outcome of any potential and pending legal or administrative matters will not have a material adverse impact on its financial position, liquidity or results of operations.

Note 10 — Segments

Operating segments are components of a company for which separate financial and operating information is regularly evaluated and reported to the Chief Operating Decision Maker ("CODM"), and is used to allocate resources and analyze performance. The Company's CODM is the executive leadership team, which reviews information about the Company's two operating segments: Airline and Sunseeker Resort.

Airline Segment

The Airline segment operates as a single business unit and includes all scheduled service air transportation, ancillary air-related products and services, third party products and services, fixed fee contract air transportation and other airline-related revenue. The CODM evaluation includes, but is not limited to, route and flight profitability data, ancillary and third party product and service offering statistics, and fixed fee contract information when making resource allocation decisions with the goal of optimizing consolidated financial results.

Sunseeker Resort Segment

The Sunseeker Resort segment represents activity related to the development and construction of Sunseeker Resort in Southwest Florida, as well as the renovation of Aileron Golf Course (formerly known as Kingsway Golf Course). Plans for the resort include a 500-room hotel and two towers offering more than 180 one, two and three-bedroom suites, bar and restaurant options, and other amenities. The golf course is a short drive from the resort and is considered, from a planning and strategic perspective, to be an additional resort amenity. The construction of Sunseeker Resort is an extension of the Company's leisure travel focus and it is expected that many customers flying to Southwest Florida on Allegiant will elect to stay at this resort and enjoy its amenities.

Selected information for the Company's segments and the reconciliation to the consolidated financial statement amounts are as follows:

(in thousands)	Airline	Sunseeker Resort	Consolidated
Three Months Ended March 31, 2023			
Operating revenue:			
Passenger	\$ 609,277	\$ —	\$ 609,277
Third party products	26,037	—	26,037
Fixed fee contracts	14,117	—	14,117
Other	251	5	256
Operating income (loss)	97,574	(2,749)	94,825
Interest expense, net	18,741	1,695	20,436
Depreciation and amortization	54,622	58	54,680
Capital expenditures	92,432	85,620	178,052
Three Months Ended March 31, 2022			
Operating revenue:			
Passenger	\$ 463,961	\$ —	\$ 463,961
Third party products	22,480	—	22,480
Fixed fee contracts	13,386	—	13,386
Other	281	1	282
Operating income (loss)	10,176	(2,947)	7,229
Interest expense, net	15,828	1,974	17,802
Depreciation and amortization	46,341	2	46,343
Capital expenditures	142,178	63,781	205,959

Total assets were as follows as of the dates indicated:

(in thousands)	As of March 31, 2023		As of December 31, 2022	
Airline	\$	4,130,023	\$	4,047,134
Sunseeker Resort		550,398		464,163
Consolidated	\$	4,680,421	\$	4,511,297

Note 11 — Subsequent Events

In April, 2023, the Company received advances of \$55.9 million under the \$200 million credit facility used to fund pre-delivery deposits for the Company's Boeing order.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis presents factors that had a material effect on our results of operations during the three months ended March 31, 2023 and 2022. Also discussed is our financial position as of March 31, 2023 and December 31, 2022. You should read this discussion in conjunction with our unaudited consolidated financial statements, including the notes thereto, appearing elsewhere in this Form 10-Q and our consolidated financial statements appearing in our annual report on Form 10-K for the year ended December 31, 2022. This discussion and analysis contains forward-looking statements. Please refer to the section below entitled "Cautionary Note Regarding Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements.

First Quarter 2023 Review

First quarter 2023 highlights include:

- Earnings per share of \$3.09
- Operating income of \$94.8 million, yielding an operating margin of 14.6 percent
- Total operating revenue was \$649.7 million, up 29.9 percent over prior year
 - Total fixed fee contracts revenue of \$14.1 million, the highest first-quarter total in company history
 - Total revenue per available seat mile or TRASM of 13.89 cents, up 28.8 percent year-over-year
 - Load factor of 85.8 percent, a 6.9 point improvement year-over-year
- Total average fare of \$154.12, up 17.5 percent year-over-year, the highest quarterly average fare in company history
 - Total average ancillary revenue per passenger, including third party products, of \$75.19, up 10.7 percent as compared to first quarter 2022 driven by overall strength in core products and the Allegiant Extra rollout
- Acquired over 46 thousand new Allways rewards credit card holders during the quarter, the highest quarterly acquisition in program history
 - Received \$28 million in remuneration from the co-branded credit card during the quarter
- Allegiant recently named to the Forbes' America's Best Midsize Employers for 2023, Newsweek's America's Greatest Workplaces for Diversity 2023, and Fortune's America's Most Innovative Companies 2023 lists

AIRCRAFT

The following table sets forth the aircraft in service and operated by us as of the dates indicated:

	March 31, 2023	December 31, 2022
A319	35	35
A320 ⁽¹⁾	89	86
Total	124	121

⁽¹⁾ Does not include two aircraft of which we have taken delivery as of March 31, 2023, but were not yet in service as of that date.

As of March 31, 2023, we are party to forward purchase agreements for 53 aircraft with five deliveries expected in 2023, 24 in 2024 and the remainder thereafter. Two of the aircraft scheduled for delivery in 2023 are the initial aircraft under our Boeing contract, which are scheduled to be delivered in fourth quarter 2023.

NETWORK

As of March 31, 2023, we were selling 574 routes versus 617 as of the same date in 2022. As discussed below, overall capacity and the number of routes served have been reduced to preserve systemwide operational reliability. We expect route count to remain below 2022 levels throughout the year as we focus on our core markets during our busiest travel periods. We have identified 1,400 incremental routes as opportunities for future network growth, of which over 80% currently have no current non-stop service. Our total active number of origination cities and leisure destinations were 93 and 32, respectively, as of March 31, 2023.

Our unique model is predicated around expanding and contracting capacity to meet seasonal travel demands.

TRENDS

COVID-19

The COVID-19 pandemic significantly impacted our operating results in 2020 and 2021 and we suffered numerous cancellations due to the effect of the Omicron variant on flight crews into first quarter 2022. Although legislation has been passed to end the national emergency from the pandemic, future outbreaks of COVID-19 or other similar diseases may impact our operations into the future. We believe that demand in the foreseeable future could vary in response to fluctuations in COVID-19 cases, variants

of the virus, hospitalizations, deaths, treatment efficacy, the availability of vaccines, CDC recommendations, and government restrictions.

Strong Demand Momentum

As concerns over COVID-19 have declined, we have seen significant increases in load factors and average total fare per passenger beginning in March 2022, and continuing to date.

Aircraft Fuel

The cost of fuel is volatile, as it is subject to many economic and geopolitical factors we can neither control nor predict. Significant increases in fuel costs could materially affect our operating results and profitability. We have not sought to use financial derivative products to hedge our exposure to fuel price volatility, nor do we have any plans to do so in the future.

The cost per gallon of fuel began to increase significantly in 2021 and the increases were exacerbated by the geopolitical impact of the war in Ukraine. As a result, the average fuel cost per gallon increased by 11.4 percent in first quarter 2023 over first quarter 2022. Fuel prices reached a peak in the second quarter of 2022, and have declined by approximately 22 percent since that time as we have seen refinery costs decline by 15 percent year over year. Fuel costs remain significantly higher than prior periods. We expect high fuel costs will continue to impact our total costs and operating results.

Boeing Agreement

In December 2021, we signed an agreement with The Boeing Company to purchase 50 newly manufactured 737MAX aircraft scheduled to be delivered in 2023 to 2025 with options to purchase an additional 50 737's. We believe this new aircraft purchase is complementary with our low cost strategy based on our intent to retain ownership of the aircraft, the longer useful life for depreciation purposes, expected fuel savings and operational reliability from the use of these new aircraft.

Operations

Delays for aircraft in heavy maintenance, pilot constraints, airport construction disruption and air traffic control delays in certain markets continue to impact our operations and we have further pulled back some of our capacity in 2023 as a result. We believe these issues are not unique to Allegiant nor do we believe they are systemic.

Union Negotiations

The collective bargaining agreement with our pilots is currently amendable and the parties have jointly requested the involvement of the National Mediation Board ("NMB") to assist with the negotiations. The mediation process with the NMB has begun. We are also in the process of negotiating a new contract with the union representing our flight attendants. Further, we have reached a tentative agreement with the union for our flight dispatchers which will increase pay rates and extend the term of that collective bargaining agreement by two years.

The terms of any new collective bargaining agreement will impact our costs over the term of the contract.

Pilot Scarcity

The supply of pilots necessary for airline industry growth may be a limiting factor. The pandemic resulted in more than 3,000 early pilot retirements across U.S. mainline and cargo carriers and the pipeline for new pilots does not appear at the present time to be sufficiently robust to replace retired pilots and to allow for projected industry growth. The ability to hire and retain pilots will be critical to our and the industry's growth.

Engagement of Schneider Electric as ESG Consultant

We are continuing our partnership with Schneider Electric to help us develop our Environmental, Social and Governance (ESG) program. During 2023, we expect to establish ESG goals and environmental goal achievement plans and will continue to provide carbon emissions reporting of Scope 1, 2, and 3 greenhouse gas (GHG) emissions.

VivaAerobus Alliance

In December 2021, we announced plans for a fully-integrated commercial alliance agreement with VivaAerobus, designed to expand options for nonstop leisure air travel on transborder flights between United States and Mexico. We and VivaAerobus have submitted a joint application to the DOT requesting approval of and antitrust immunity for the alliance. In January 2023, the DOT declared our application substantially complete, but we have yet to receive a final ruling from the DOT. Allegiant and VivaAerobus have received approval from the Mexican Federal Economic Competition Commission to proceed with the alliance.

We and VivaAerobus currently expect to offer new routes under the alliance in late 2023, pending U.S. governmental approval of the applications and the return of Mexico to a Category 1 status under the FAA's International Aviation Safety Assessment ("IASA") program. The Category 1 status allows foreign airlines to expand their services to U.S. destinations and enter into codeshare partnerships with U.S. airlines. The FAA and Mexican Authorities currently anticipate an upgrade to Category 1 this summer pending successful completion of the final steps of the process.

Sunseeker Resort

Construction of Sunseeker Resort Charlotte Harbor is continuing and we expect to open the resort in October 2023.

RESULTS OF OPERATIONS

Comparison of three months ended March 31, 2023 to three months ended March 31, 2022

As comparisons of our first quarter 2023 results to the first quarter of 2022 reflect changes due to the continued impact of the COVID-19 pandemic on air travel during the first quarter of 2022, year-over-year comparisons below are not necessarily indicative of expected full year-over-year results.

Operating Revenue

Passenger revenue. For the first quarter 2023, passenger revenue increased 31.3 percent compared to the same period in 2022 on relatively flat capacity year over year, with scheduled service available seat miles (ASMs) increasing by 1.4 percent. Stronger passenger demand drove a 24.8 percent increase in average base fare and a 6.9 percentage point increase in scheduled service load factor. An 11.3 percent increase in ancillary air-related revenue per passenger, excluding third party products, also contributed to the increase in passenger revenue.

The increase in ancillary air-related revenue per passenger over the same period in 2022 was primarily driven by overall strength in core products and the Allegiant Extra rollout.

Third party products revenue. Third party products revenue for the first quarter 2023 increased 15.8 percent compared to the first quarter 2022. The increase from 2022 is primarily the result of a \$2.8 million, or 23.6 percent, increase in the marketing component of co-branded credit card revenues.

Fixed fee contract revenue. Fixed fee contract revenue for the first quarter 2023 increased 5.5 percent compared to the same period in 2022 on stronger than expected performance during March Madness. The increase was also driven by increased fuel per gallon pass throughs, which are accounted for as fixed fee contract revenue. Fixed fee departures were relatively flat year over year.

Operating Expenses

We primarily evaluate our expense management by comparing our costs per available seat mile (ASM) across different periods, which enables us to assess trends in each expense category. The following table presents unit costs on a per ASM basis, or CASM, for the indicated periods. Excluding fuel on a per ASM basis provides management and investors the ability to measure and monitor our cost performance absent fuel price volatility. Both the cost and availability of fuel are subject to many economic and political factors beyond our control.

Unitized costs (in cents)	Three Months Ended March 31,		Percent Change
	2023	2022	YoY
Aircraft fuel	4.05 ¢	3.55 ¢	14.1 %
Salaries and benefits	3.41	2.90	17.6
Station operations	1.32	1.42	(7.0)
Depreciation and amortization	1.17	1.00	17.0
Maintenance and repairs	0.57	0.60	(5.0)
Sales and marketing	0.58	0.48	20.8
Aircraft lease rentals	0.15	0.13	15.4
Other	0.64	0.59	8.5
Special charges	(0.03)	—	NM
CASM	11.86 ¢	10.67 ¢	11.2
Operating CASM, excluding fuel	7.81 ¢	7.12 ¢	9.7
Sunseeker Resort CASM	0.06	0.06	—
Operating CASM, excluding fuel and Sunseeker Resort activity	7.75 ¢	7.06 ¢	9.8

NM - Not meaningful

Aircraft fuel expense. Aircraft fuel expense increased \$25.4 million, or 15.5 percent, for the first quarter 2023 compared to first quarter 2022. This is primarily due to an 11.4 percent increase in average fuel cost per gallon and a 3.7 percent increase in gallons consumed.

Salaries and benefits expense. Salaries and benefits expense increased \$25.6 million, or 19.1 percent, for the first quarter 2023 when compared to the same period in 2022. The increase is primarily due to a 17.1 percent increase in the number of full time equivalent employees from the first quarter 2022.

Station operations expense. Station operations expense for the first quarter 2023 decreased \$4.2 million, or 6.4 percent compared to the same period in 2022 due to an 86.5 percent decrease in customer compensation related to irregular operations offset by a 2.3 percent increase in departures and continued inflationary pressures on landing fees, ground handling, and other stations related expense.

Depreciation and amortization expense. Depreciation and amortization expense for the first quarter 2023 increased by 18.0 percent as compared to the first quarter 2022 driven by a 12.1 percent increase in the average number of aircraft owned and in service as well as an increase in the amortization of major maintenance costs.

Maintenance and repairs expense. Maintenance and repairs expense for the first quarter 2023 decreased \$1.4 million, or 5.0 percent, compared to the same period in 2022, primarily due to a higher volume of repairs in the prior year quarter.

Sales and marketing expense. Sales and marketing expense for the first quarter 2023 increased by 20.5 percent compared to the same period in 2022, primarily due to an increase in credit card fees as a result of a 31.3 percent increase in passenger revenue year-over-year.

Other operating expense. Other operating expense increased \$4.4 million or 16.9 percent for the first quarter 2023 compared to the first quarter 2022 attributable to incremental increases in outsourced labor and software support associated with ongoing IT initiatives.

Special charges. During first quarter 2023, we recorded \$(1.6) million of special charges as recognition of \$1.8 million of insurance recoveries were offset by \$0.2 million of additional charges during the quarter.

Interest Expense and Income

Interest expense for the quarter ended March 31, 2023 increased by \$15.9 million, or 80.4 percent over first quarter 2022, due to new fixed rate debt and finance lease transactions entered into since first quarter 2022 as well as a 3.5 percentage point increase in the weighted average variable interest rate year-over-year due to increases in the indexes. The increase in interest expense was partially offset by a \$9.4 million increase in interest income compared to first quarter 2022, due to higher yields on investments in debt securities.

Income Tax Expense

We recorded an \$18.3 million income tax expense at an effective tax rate of 24.5 percent and a \$2.7 million income tax benefit at a 25.4 percent effective tax rate for the three months ended March 31, 2023 and 2022, respectively. The effective tax rate for the three months ended March 31, 2023 differed from the statutory Federal income tax rate of 21.0 percent primarily due to state income taxes and the impact of permanent tax differences.

Comparative Airline-Only Operating Statistics

The following tables set forth our airline operating statistics for the periods indicated:

	Three Months Ended March 31,		Percent Change ⁽¹⁾
	2023	2022	YoY
Airline operating statistics (unaudited):			
Total system statistics:			
Passengers	4,148,453	3,734,262	11.1 %
Available seat miles (ASMs) (thousands)	4,677,622	4,620,144	1.2
Airline operating expense per ASM (CASM) (cents)	11.80 ¢	10.61 ¢	11.2
Fuel expense per ASM (cents)	4.05 ¢	3.55 ¢	14.1
Airline operating CASM, excluding fuel (cents)	7.75 ¢	7.06 ¢	9.8
Departures	29,145	28,494	2.3
Block hours	71,790	69,655	3.1
Average stage length (miles)	908	920	(1.3)
Average number of operating aircraft during period	122.7	109.5	12.1
Average block hours per aircraft per day	6.5	7.1	(8.5)
Full-time equivalent employees at end of period	5,318	4,692	13.3
Fuel gallons consumed (thousands)	55,434	53,438	3.7
ASMs per gallon of fuel	84.4	86.5	(2.4)
Average fuel cost per gallon	\$ 3.42	\$ 3.07	11.4
Scheduled service statistics:			
Passengers	4,122,196	3,709,104	11.1
Revenue passenger miles (RPMs) (thousands)	3,925,362	3,558,045	10.3
Available seat miles (ASMs) (thousands)	4,573,766	4,512,315	1.4
Load factor	85.8 %	78.9 %	6.9
Departures	28,273	27,637	2.3
Block hours	70,009	67,829	3.2
Average seats per departure	176.0	175.6	0.2
Yield (cents) ⁽²⁾	8.29 ¢	6.59 ¢	25.8
Total passenger revenue per ASM (TRASM) (cents) ⁽³⁾	13.89 ¢	10.78 ¢	28.8
Average fare - scheduled service ⁽⁴⁾	\$ 78.93	\$ 63.22	24.8
Average fare - air-related charges ⁽⁴⁾	\$ 68.87	\$ 61.87	11.3
Average fare - third party products	\$ 6.32	\$ 6.06	4.3
Average fare - total	\$ 154.12	\$ 131.15	17.5
Average stage length (miles)	915	926	(1.2)
Fuel gallons consumed (thousands)	54,145	52,110	3.9
Average fuel cost per gallon	\$ 3.42	\$ 3.01	13.6
Rental car days sold	354,426	367,094	(3.5)
Hotel room nights sold	68,939	72,539	(5.0)
Percent of sales through website during period	95.6 %	96.0 %	(0.4)

⁽¹⁾ Except load factor and percent of sales through website during period, which are presented as a percentage point change.

⁽²⁾ Defined as scheduled service revenue divided by revenue passenger miles.

⁽³⁾ Various components of this measure do not have a direct correlation to ASMs. This measure is provided on a per ASM basis so as to facilitate comparison with airlines reporting revenues on a per ASM basis.

⁽⁴⁾ Reflects division of passenger revenue between scheduled service (base fare) and air-related charges in our booking path.

LIQUIDITY AND CAPITAL RESOURCES

Current liquidity

Cash, cash equivalents and investment securities (short-term and long-term) increased to \$1.08 billion at March 31, 2023, from \$1.02 billion at December 31, 2022. Investment securities represent highly liquid marketable securities which are available-for-sale.

Restricted cash represents escrowed funds under fixed fee contracts, escrowed airport project funds and cash collateral against letters of credit required by hotel properties for guaranteed room availability, airports and certain other parties. Under our fixed fee flying contracts, we require our customers to prepay for flights to be provided by us. The prepayments are escrowed until the flight is completed and are recorded as restricted cash with a corresponding amount reflected as air traffic liability.

We believe we have more than adequate liquidity resources through our cash balances, operating cash flows, availability under revolving credit facilities, and borrowings to meet our future contractual obligations. We will continue to consider raising funds through debt financing on an opportunistic basis.

Debt

Our debt and finance lease obligations balance, without reduction for related issuance costs, increased slightly from \$2.12 billion as of December 31, 2022 to \$2.13 billion as of March 31, 2023. Net debt (total debt less unrestricted cash, cash equivalents, and investments) as of March 31, 2023 was \$1.03 billion, a decrease of \$49.8 million from December 31, 2022. During the three months ended March 31, 2023, we exercised a \$15.2 million purchase option on one Airbus A320 finance leased aircraft and subsequently refinanced the same aircraft for \$27.0 million. We also entered into a revolving credit facility to borrow up to \$100 million which remains undrawn. During this period, we made principal payments on debt of \$51.5 million.

As of March 31, 2023, approximately 82 percent of our debt and finance lease obligations are fixed-rate.

Sources and Uses of Cash

Operating Activities. Operating cash inflows are primarily derived from providing air transportation and related ancillary products and services to customers. During the three months ended March 31, 2023, our operating activities provided \$215.4 million of cash compared to \$176.0 million during the same period 2022. This change is mostly attributable to a \$64.0 million increase in net income offset by changes in current assets and liability accounts.

Investing Activities. Cash used for investing activities was \$114.2 million during the three months ended March 31, 2023 compared to \$109.8 million used for investing activities during the same period in 2022. The change is due to a \$58.2 million increase in purchases of property and equipment, offset by a decrease of \$13.2 million in aircraft pre-delivery deposits and a \$27.5 million increase in proceeds from maturities, net of purchases, of investment securities compared to the three months ended March 31, 2022.

Financing Activities. Cash used for financing activities for the three months ended March 31, 2023 was \$11.9 million, compared to \$37.6 million for the same period in 2022. The change was the result of \$59.5 million in proceeds from debt and finance lease obligations in the three months ended March 31, 2023, compared to none in the prior year quarter, which was offset by \$12.5 million used for repurchases of common stock in the three months ended March 31, 2023, compared to none in the prior year quarter and by a \$14.2 million increase in principal payments of debt and finance lease obligations.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this quarterly report on Form 10-Q, and in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," that are based on our management's beliefs and assumptions, and on information currently available to our management. Forward-looking statements include our statements regarding the number of contracted aircraft to be placed in service in the future, the timing of aircraft deliveries and retirements, the implementation of a joint alliance with VivaAerobus, the opening date for our Sunseeker Resort, as well as other information concerning future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, the effects of future regulation and the effects of competition. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believe," "expect," "anticipate," "intend," "plan," "estimate," "project," "hope" or similar expressions.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in the forward-looking statements. Important risk factors that could cause our results to differ materially from those expressed in the forward-looking statements may be found in our periodic reports filed with the Securities and Exchange Commission at www.sec.gov. These risk factors include, without limitation, the impact of Hurricane Ian on our Florida markets and on completion of Sunseeker Resort, the impact and duration of the COVID-19 pandemic on airline travel and the economy, an accident involving, or problems with, our aircraft, public perception of our safety, our reliance on our automated systems, our reliance on third parties to deliver aircraft under contract to us on a timely basis, risk of breach of security of personal data, volatility of fuel costs, labor issues and costs, the ability to obtain regulatory approvals as needed, the effect of economic conditions on leisure travel, debt covenants and balances, the impact of government regulations on the airline industry, the ability to finance aircraft to be acquired, the ability to obtain necessary government approvals to implement the announced alliance with VivaAerobus and to otherwise prepare to offer international service, terrorist attacks, risks inherent to airlines, our competitive environment, our reliance on third parties who provide facilities or services to us, the impact of management changes and the possible loss of key personnel, economic and other conditions in markets in which we operate, the ability to successfully develop a resort in Southwest Florida, increases in maintenance cost, cyclical and seasonal fluctuations in our operating results and the perceived acceptability of our environmental, social, and governance efforts.

Any forward-looking statements are based on information available to us today and we undertake no obligation to publicly update any forward-looking statements, whether as a result of future events, new information or otherwise.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There have been no material changes to our critical accounting estimates during the three months ended March 31, 2023. For information regarding our critical accounting policies and estimates, see disclosures in the Consolidated Financial Statements and accompanying notes contained in our 2022 Form 10-K, and in Note 1 of Notes to Consolidated Financial Statements (unaudited).

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to certain market risks, including commodity prices (specifically aircraft fuel). The adverse effects of changes in these markets could pose potential losses as discussed below. The sensitivity analysis provided does not consider the effects that such adverse changes may have on overall economic activity, nor does it consider additional actions we may take to mitigate our exposure to such changes. Actual results may differ.

Aircraft Fuel

Our results of operations can be significantly impacted by changes in the price and availability of aircraft fuel. Aircraft fuel expense for the three months ended March 31, 2023 represented 34.2 percent of our total operating expenses. Increases in fuel prices, or a shortage of supply, could have a material impact on our operations and operating results. Based on our fuel consumption for the three months ended March 31, 2023, a hypothetical ten percent increase in the average price per gallon of fuel would have increased fuel expense by approximately \$18.9 million. We have not hedged fuel price risk for many years.

Interest Rates

As of March 31, 2023, we had \$391.6 million of variable-rate debt, including current maturities and without reduction for \$4.9 million in related costs. A hypothetical 100 basis point change in interest rates would have affected interest expense on variable rate debt by approximately \$0.9 million for the three months ended March 31, 2023.

Item 4. Controls and Procedures

As of March 31, 2023, under the supervision and with the participation of our management, including our chief executive officer ("CEO") and chief financial officer ("CFO"), we evaluated the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, or the "Exchange Act") as of the end of the period covered by this report. Based on that evaluation, management, including our CEO and CFO, has concluded that our disclosure controls and procedures are designed, and are effective, to give reasonable assurance that the information we are required to disclose is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to the Company's management, including the CEO and the CFO, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting that occurred during the quarter ending March 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are subject to certain legal and administrative actions we consider routine to our business activities. We believe the ultimate outcome of any pending legal or administrative matters will not have a material adverse impact on our financial position, liquidity or results of operations.

Item 1A. Risk Factors

We have evaluated our risk factors and determined there are no changes to those set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022 and filed with the Commission on February 27, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Our Repurchases of Equity Securities

The following table reflects the repurchases of our common stock during the first quarter 2023:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of our Publicly Announced Plan	Approximate Dollar Value of Shares that May yet be Purchased Under the Plans or Programs (in thousands) ⁽²⁾
January	7,028	\$ 86.02	None	
February	84,010	\$ 98.94	83,973	
March	34,431	\$ 103.29	33,681	
Total	125,469	\$ 99.41	117,654	\$ 88,196

⁽¹⁾ Includes shares repurchased from employees who vested a portion of their restricted stock grants. These share repurchases were made at the election of each employee pursuant to an offer to repurchase by us. In each case, the shares repurchased constituted a portion of vested shares necessary to satisfy income tax withholding requirements.

⁽²⁾ Represents the remaining dollar amount of open market purchases of our common stock which has been authorized by our board under a share repurchase program.

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

None

Item 6. Exhibits

<u>3.1</u>	<u>Articles of Incorporation of Allegiant Travel Company, (Incorporated by reference to Exhibit 3.1 to Registration Statement No. 333-134145 filed with the Commission on July 6, 2006).</u>
<u>3.2</u>	<u>Bylaws of Allegiant Travel Company as amended on October 18, 2021, (Incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K, filed with the Commission on July 28, 2022).</u>
<u>10.1</u>	<u>Separation Agreement and Mutual Release of All Claims between the Company and Scott Sheldon dated January 27, 2023.</u>
<u>31.1</u>	<u>Rule 13a - 14(a) / 15d - 14(a) Certification of Principal Executive Officer</u>
<u>31.2</u>	<u>Rule 13a - 14(a) / 15d - 14(a) Certification of Principal Financial Officer</u>
<u>32</u>	<u>Section 1350 Certifications</u>
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase 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.

ALLEGiant TRAVEL COMPANY

Date: May 8, 2023

By: /s/ Robert J. Neal

Robert J. Neal, as duly authorized officer of the Company (Senior Vice President and Chief Financial Officer) and as Principal Financial Officer

SEPARATION AGREEMENT AND MUTUAL RELEASE
OF ALL CLAIMS

THIS SEPARATION AGREEMENT AND MUTUAL RELEASE OF ALL CLAIMS ("Agreement") is entered into by and between D. Scott Sheldon ("Sheldon") whose address is 608 Tandora, Las Vegas, Nevada 89138 and Allegiant Travel Company, a Nevada corporation (the "Company") located at 1201 N. Town Center Drive, Las Vegas, Nevada 89144. Whenever used herein, the term "Company" shall include Allegiant Travel Company and any of its prior, present or future affiliated entities.

WHEREAS, Sheldon currently serves as the President and Chief Operating Officer of Allegiant Travel Company;

WHEREAS, Sheldon has resigned from his employment with the Company effective as of April 1, 2023 (the "Severance Date"); and

NOW, THEREFORE, for and in consideration of the compensation and payments to Sheldon described herein and other good and valuable consideration, the receipt, sufficiency, and adequacy of which are hereby acknowledged by the parties, and in further consideration of the mutual promises and benefits flowing between the parties hereto, the parties hereby agree as follows:

1. Employment Separation. The parties acknowledge that Sheldon's employment relationship with the Company shall be severed as of the Severance Date. Effective as of the Severance Date, Sheldon hereby resigns any position he may hold: (i) as an officer or director of Allegiant Travel Company; (ii) as an officer, director or manager of any direct or indirect subsidiary of Allegiant Travel Company; and (iii) as a member of any committee on which he serves for the Company. The Amended and Restated Employment Agreement dated as of August 1, 2022 between the Company and Sheldon (the "Employment Agreement") shall be terminated as of January 31, 2023. Sheldon shall be relieved from all duties for the Company as of the date hereof.

2. Severance Compensation and Benefits.

(a) Sheldon shall continue to receive his cash base salary and fringe benefits under the Employment Agreement between the date of this Agreement and January 31, 2023.

(b) The Company hereby agrees to pay Sheldon the cash sum of \$980,000 on or before April 30, 2023. Such payment shall be subject to all required withholdings and authorized payroll deductions. Sheldon shall not be entitled to any additional amounts for bonus, paid time off or otherwise, except as specifically provided for in this Agreement. Sheldon agrees to be solely responsible for any tax owing on said payments and any other compensation payable to him hereunder, and agrees to defend and indemnify the Company from any claim made by any taxing authority on said amounts.

(c) As of April 3, 2023, Sheldon shall be entitled to the following with respect to unvested restricted stock currently held by him and stock grants committed to him but not yet granted under the terms of the Employment Agreement: (i) 7,624 shares of unvested restricted stock granted to Sheldon as of August 1, 2021 shall be fully vested; (ii) of the 17,876 shares of

restricted stock granted to Sheldon as of August 1, 2022, 11,918 shares shall become vested (the remaining 5,958 shares shall be forfeited); and (iii) an additional 38,082 shares of stock shall be issued to Sheldon under the Company's 2022 Long-term Incentive Plan and shall be immediately vested, representing a portion of the shares that would have been granted to Sheldon under his Employment Agreement during 2023. Sheldon understands that a portion of the shares vested may be withheld to satisfy the Company's withholding tax obligations. The provisions in this paragraph (b) represent all of the equity compensation to which Sheldon may be entitled under the Employment Agreement or otherwise. All stock options and all other stock grants to which Sheldon is entitled or may have become entitled under the Employment Agreement shall be cancelled and forfeited as of the Severance Date.

(d) Sheldon shall be entitled to elect COBRA continuing health coverage on the same terms as available to any other terminated employees. The Company shall pay the premiums for such coverage, or reimburse Sheldon, for coverage through December 31, 2023.

(e) Lifetime Positive Space Travel. In recognition of Sheldon's service in a senior management role for the Company for many years, the following benefit is provided. During his lifetime, Sheldon shall be entitled to passes for air travel on the flights of the Company (and any successor-in-interest to the Company) for Sheldon plus one other individual (to be designated in accordance with Company administrative rules) on a positive space basis at no cost to Sheldon.

(d) Sheldon hereby acknowledges that except as expressly set out in this Agreement, he has heretofore received all compensation to which he was entitled pursuant to his employment with the Company and under the Employment Agreement for all periods through and including the Severance Date and that no additional compensation or benefits are due with respect to Sheldon's employment or with respect to the termination of his employment.

3. Unemployment Compensation Claim. The Company agrees that it will not contest any claim for unemployment compensation filed by Sheldon.

4. Restrictive Agreements.

A. For purposes of this Item, the following terms and provisions shall have the following meanings:

(i) "Prohibited Time Period" shall mean the period beginning on the date of execution hereof and ending on the date that is twelve (12) months after the date hereof.

(ii) "Prohibited Party" shall mean all travel partners of the Company who (a) have contracted for regular chartered air service with the Company since January 1, 2022, or (b) whose services are sold by the Company to produce ancillary third party revenue (such as Enterprise Rent-a-Car), or (c) have been solicited as potential travel partners of the Company at a meeting held at any time between January 1, 2022 and the date of this Agreement (such as Viva Aerobus).

(vi) "Prohibited Employee" means any employee, independent contractor or consultant of the Company who worked for the Company at any time between July 1, 2022 and the date of this Agreement; provided, however, that the term "Prohibited Employee" shall not include any employee who had not been employed by the Company within the one (1)

year period immediately preceding the date contacted by Sheldon for subsequent employment.

B. Sheldon covenants and agrees that during the Prohibited Time Period, he shall not, for any reason, directly or indirectly (whether as officer, director, consultant, employee, representative, agent, partner, owner, stockholder or otherwise), (i) solicit charter air services from, or market charter air services to, any Prohibited Party, or (ii) enter into a transaction with a Prohibited Party as a result of which the Prohibited Party does, or is likely to, reduce the amount of business between the Prohibited Party and the Company.

C. Sheldon agrees that during the Prohibited Time Period, he shall not, for any reason, without the prior written consent of the Company, on his own behalf or in the service or on behalf of others, hire any Prohibited Employee or request or induce any Prohibited Employee to terminate that person's employment or relationship with the Company or to accept employment with any other person.

D. The parties agree that: (i) the covenants and agreements of Sheldon contained in this Item are reasonably necessary to protect the interests of the Company in whose favor said covenants and agreements are imposed in light of the nature of the Company's business and Sheldon's professional involvement in such business; (ii) the restrictions imposed by this Item are not greater than are necessary for the protection of the Company in light of the substantial harm that the Company will suffer should Sheldon breach any of the provisions of said covenants or agreements; (iii) the covenants and agreements of Sheldon contained in this Item served as a material inducement for the Company to enter into this Agreement; and (iv) the period of restriction referred to in this Item is fair and reasonably required for the protection of the Company.

E. Sheldon acknowledges that a material breach by Sheldon of any part of this Item will result in irreparable and continuing damage to the Company and any material breach or threatened breach of the covenants provided in this Item shall be subject to specific performance by temporary as well as permanent injunction or any other equitable remedies of any court of competent jurisdiction.

F. The covenants and agreements on the part of Sheldon contained in this Item shall be construed as agreements independent of any other agreement between Sheldon and the Company. The existence of any claim or cause of action of Sheldon against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of each of such covenants and agreements or otherwise affect the remedies to which the Company is entitled hereunder.

G. If the provisions of this Item 4 should ever be adjudicated to exceed the time or other limitations permitted by applicable law in any jurisdiction, then such provisions shall be deemed reformed in such jurisdiction to the maximum time, geographic or other limitation permitted by applicable law.

5. Indemnification.

(a) The Company agrees to indemnify and hold harmless Sheldon and his legal representatives, heirs, successors and assigns (the "Sheldon Indemnitees") from and against any and all actions, suits, judgments, liens, losses, costs, expenses, claims, demands, and liabilities of any type or description (including reasonable attorneys' fees) which the Sheldon Indemnitees may incur or suffer as a result of or in any way attributable to actions taken by Sheldon

within the scope of his employment as an officer, employee, or agent of the Company except that this indemnification shall not apply to any matter covered by paragraph (b) below.

(b) Sheldon agrees to indemnify and hold harmless the Company and its agents, officers, directors, managers, shareholders, employees, legal representatives, successors and assigns (the "Company Indemnitees") from and against any and all actions, suits, judgments, liens, losses, costs, expenses, claims, demands, and liabilities of any type or description (including reasonable attorneys' fees) which the Company Indemnitees may incur or suffer as a result of Sheldon's fraud, actions taken by him to the extent not authorized by the Company, illegal acts or sexual or other statutorily-prohibited harassment (referred to as "Improper Acts").

6. Mutual Release.

(a) Except as provided for in Section 5, in return for the payments made and benefits to be extended to Sheldon pursuant to this Agreement and other good and valuable consideration, which Sheldon expressly acknowledges that he would not otherwise be entitled to receive, Sheldon does hereby unconditionally release the Company from any and all actions, claims, suits, rights, liabilities, or demands of any kind or nature (each such action, claim, suit, right, liability or demand being hereinafter individually referred to as a "Claim" and collectively referred to as "Claims") that Sheldon has ever had or might hereafter claim to have against the Company, including, but not limited to: (i) any and all claims in connection with (A) Sheldon's employment relationship with the Company, (B) the terms and conditions of such employment relationship (including compensation and benefits), or (C) the ending of such employment relationship and the surrounding circumstances thereof, and (ii) any and all claims arising pursuant to any law, constitution, regulation, or any statute or common law theory, whether in tort, contract, equity, or otherwise. Without limiting the generality of the foregoing, Sheldon specifically releases, acquits, discharges, and agrees to hold the Company harmless from and against any and all Claims (i) arising under the Fair Labor Standards Act; the Civil Rights Acts of 1866, 1964, and 1991; the Age Discrimination in Employment Act; the Older Worker Benefit Protection Act; the Americans with Disabilities Act; the Family and Medical Leave Act; the fair employment practice laws of any state (which acts and laws prohibit discrimination based upon race, religion, sex, national origin, color, age, handicap, and disability); the Employee Retirement Income Security Act of 1974, as amended; the Immigration Reform and Control Act, as amended; the Workers Adjustment and Retraining Notification Act, as amended; the Occupational Safety and Health Act, as amended; and any state or local minimum wage or equal pay law, regulation or ordinance; or (ii) arising under federal, state, or local laws or regulations, or any common law theories of recovery. This Agreement shall not apply to rights or claims that may arise after the Severance Date, nor shall any provision of this Agreement be interpreted to waive, release, or extinguish any rights that by express and unequivocal terms of law may not under any circumstances be waived, released, or extinguished. Sheldon further agrees not to sue or to authorize anyone else to file a lawsuit on his behalf against the Company for any reason, and not to become a member of any class suing the Company. If Sheldon files any action, suit, or proceeding with respect to any Claim released by him herein (or if a Claim so released is filed on Sheldon's behalf by another person), Sheldon agrees to indemnify the Company against any damages or judgments arising therefrom, including, but not limited to, expenses of litigation and attorneys' fees incurred by the Company with respect to any such action, suit, or proceeding. Further, Sheldon agrees that a mandatory prerequisite to asserting any claim settled or released under this Agreement is the return of all payments and compensation made pursuant to this Agreement and all other consideration received by him in connection herewith.

(b) Allegiant Travel Company (on behalf of itself and its subsidiaries) hereby unconditionally releases, acquits, discharges, and agrees to hold Sheldon harmless from and against any and all Claims that it has ever had or might hereafter claim to have had against Sheldon as of the date of this Agreement except for: (i) any claims resulting from Sheldon's Improper Acts, (ii) the restrictive covenants and confidential information restrictions included into this Agreement, and (iii) other obligations under this Agreement. If the Company files any action, suit, or proceeding with respect to any Claim released by it herein (or if a Claim so released is filed on its behalf by another person), the Company agrees to indemnify Sheldon against any damages or judgments arising therefrom, including, but not limited to, expenses of litigation and attorneys' fees incurred by Sheldon with respect to any such action, suit, or proceeding.

7. Nondisclosure of Confidential Information.

A. During the period beginning on the execution date of this Agreement and ending on the fifth (5th) anniversary of the Severance Date, Sheldon agrees that he shall not, except with the prior written consent of the Company, for his own benefit or for the benefit of any other person or entity:

(i) directly or indirectly disclose, reveal, report, duplicate or transfer any Confidential Information to any other person or entity outside of the Company;

(ii) directly or indirectly aid, encourage, direct or allow any other person or entity outside of the Company to gain possession of or access to Confidential Information;

(iii) directly or indirectly copy or reproduce Confidential Information; or

(iv) directly or indirectly use, sell or exploit any Confidential Information or aid, encourage, direct or allow any other person or entity to use, sell or exploit any Confidential Information.

This covenant shall not apply to any Confidential Information now or hereafter voluntarily disseminated by the Company to the public, or which otherwise has become part of the public domain through means other than a breach of Sheldon's duty of confidentiality hereunder. "Confidential Information", for purposes of this Agreement, shall mean information of the Company that constitutes a trade secret or confidential information under Nevada law and shall include, but not be limited to, all relevant information (whether or not reduced to writing and in any and all stages of development), concerning the Company and its services, plans, business practices, methods of operation, financial information, names or lists of names of employees, contractors, suppliers and customers, employee compensation and benefits, other personal employee information, interpretations, surveys, forecasts, marketing plans, development plans, notes, reports, market analyses, specialized software and databases and other information related to suppliers and customers; together with any and all extracts, summaries and photo, electronic or other copies or reproductions, in whole or in part, stored in whatever medium. Confidential Information also includes business information of the Company now known by Sheldon, or in Sheldon's possession, or hereafter learned or acquired by Sheldon that derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use. Confidential Information may be written or oral, expressed in electronic media or otherwise disclosed, and may be tangible or intangible. Confidential Information also includes any

information made available to the Company by its customers or other third parties and which the Company is obligated to keep confidential. Sheldon acknowledges that the Confidential Information is secret, confidential and proprietary to the Company and has been disclosed to and/or obtained by Sheldon in confidence and trust for the sole purpose of using the same for the sole benefit of the Company.

B. Sheldon hereby acknowledges and agrees that (i) the Company has expended considerable and substantial time, effort and capital resources to develop the Confidential Information, (ii) the Confidential Information is innovative and must receive confidential treatment to protect the Company's competitive position in the market and the Company's proprietary interest therein from irreparable damage, (iii) Sheldon, by virtue of his relationship with the Company, has had access to the Confidential Information, and (iv) the Confidential Information and all physical embodiments or other repositories of the same shall be and at all times remain the sole and exclusive property of the Company.

C. Since irreparable harm will otherwise result to the Company in the event of a breach or threatened breach by Sheldon of the provisions of Item 7A, the Company shall be entitled to an injunction restraining Sheldon from disclosing, in whole or in part, any Confidential Information, or from rendering any services to any person, firm, company, association or other entity to whom such Confidential Information, in whole or in part, has been disclosed or is threatened to be disclosed. Sheldon waives any requirement for the Company to post a bond or prove actual economic damage prior to seeking injunctive relief.

8. Nondisparagement/Noninterference. Sheldon hereby covenants and agrees at all times hereafter not to make or cause to be made by anyone under his control or influence any statements that disparage, are inimical to or damage the business reputation of the Company or any of the officers, directors or employees of the Company. Sheldon further agrees not to at any time after the date hereof access the computer systems or websites of the Company. From and after the date hereof, Sheldon agrees not to take any action likely to interfere with the operation of the Company's business. Allegiant Travel Company, on behalf of itself and its subsidiaries, hereby covenants and agrees at all times hereafter not to make or cause to be made any statements that disparage, are inimical to or damage the business reputation of Sheldon. In the event that any such communication is made to anyone, including but not limited to the media, public interest groups and publishing companies, it will be considered a material breach of the terms of this Agreement.

9. Release of Attorney's Fees. Specifically included in this release by Sheldon of the Company is any claim for attorney's fees or costs. If any attorney's fees or costs are owed to any attorney or law firm in connection with the matters encompassed within this Agreement, Sheldon acknowledges that he is solely liable for such fees and costs, and he unconditionally releases and discharges the Company from any claim for attorney's fees and costs.

10. Waiver of Claims for Future Consequences of Prior Events. Sheldon understands and acknowledges that this Agreement does not waive any rights or Claims arising from events occurring after the Severance Date, but that the waiver included in this Agreement does include Claims arising from future consequences of events which occurred before the signing of this Agreement.

11. Review Period. Sheldon acknowledges that, at the time he was given this Agreement, he was advised that he could review and consider it for up to twenty-one (21) days before

signing it and that he should consult with an attorney before signing it. By signing this Agreement, Sheldon acknowledges that he has used as much of this twenty-one (21) day consideration period as he wishes and that he waives any time remaining. Sheldon understands that he may revoke this Agreement within seven days of the date of his signing, as indicated below, by delivering a written notice of revocation to John Redmond, 1201 N. Town Center Drive, Las Vegas, Nevada 89144. For a revocation of this Agreement to be effective, it must be received by the Company no later than the close of business on the seventh day after Sheldon signs this Agreement. Sheldon further understands that if he revokes this Agreement, it will not be effective, and he will not receive any of the benefits described in this Agreement or other benefits promised to him in connection with this Agreement. To the extent Sheldon receives any such benefit prior to revoking this Agreement, he shall return such benefit to the Company within one business day of said revocation without offset of any kind.

12. Compromise Agreement. Sheldon acknowledges that the Company specifically denies that it has violated any statute, regulation, contract, or other legal duty governing its relationship with Sheldon. The parties acknowledge that this Agreement is for the compromise of potential and disputed claims and that the consideration provided in support of this Agreement are not and shall not be construed as an admission of liability by any party to any other party.

13. No Incitement of Actions. Sheldon and the Company represent, warrant, and agree that they will not induce or incite actions, suits, claims, or proceedings claiming discrimination, wrongful discharge, or any other actions, suits, claims, or proceedings against each other by any other person or employee.

14. Availability. Sheldon promises to make himself reasonably available to assist the Company but only upon the Company's request regarding: (i) any current or future litigation or regulatory proceedings related to matters or claims of which he may have factual knowledge and as to which the Company has agreed to indemnify him pursuant to Section 5(a) of this Agreement, and (ii) the transitioning of his responsibilities to others at the Company. In this regard, Sheldon agrees for no additional compensation to provide information or assistance to the Company, assist in and provide information for responses to pleadings and discovery, and assist in, prepare for, and provide testimony at depositions, trial, or at any other proceeding. Sheldon further agrees that he will neither volunteer his testimony nor provide any other voluntary assistance to any party adverse to the Company, regardless of whether the claim asserted by such adverse party is one as to which the Company has indemnified Sheldon in Section 5(a) of this Agreement.

15. Waiver of Reinstatement. As additional consideration for the payments to be made to and on behalf of Sheldon as recited herein (and in particular, the consideration set forth in Section 2 above) and other consideration received by Sheldon, Sheldon agrees that he waives all claims for reinstatement and, further agrees that he will not knowingly seek employment in the future with any of the corporations or companies comprising the Company.

16. Return of Property. Sheldon agrees to return all Company property in his possession no later than January 31, 2023; provided, however, that Sheldon shall be entitled to retain his Allegiant laptop after the Company has the opportunity to erase all Company data therefrom. Such property to be returned includes any company-issued keys, badges, Company credit cards, all copies of the Company's business model and assumptions (including electronic copies which must be destroyed immediately), all business documents, printouts, photographs, and any other record or document relating to the Company and its business and including Company email. Further, Sheldon

agrees not to take, procure, photocopy, or copy any property of the Company unless specifically approved by the Senior Counsel of the Company. From and after the date hereof, Sheldon agrees he will not seek to access the Company's computer system or password protected information therein. Sheldon hereby assigns to the Company any intellectual property rights to property that may have been developed as part of his employment with the Company.

17. Social Media and Professional Networking Website Updates. Within ten (10) days following the Severance Date, Sheldon agrees to update any and all of his social media websites or webpages (e.g., including Facebook, etc.) and/or professional networking websites or webpages (e.g., LinkedIn, etc.) to reflect he is no longer employed by the Company.

18. Further Assurances. At any time and from time to time after the date of this Agreement, upon request of any party hereto and without the payment of any further consideration, another party hereto shall duly execute, acknowledge and deliver all such further assignments, conveyances and other instruments of transfer and other documents, and will take such other action, consistent with the terms of this Agreement, as reasonably may be requested for the purposes of effecting the transactions contemplated hereby.

19. Right to Have Legal Counsel. By executing this Agreement, Sheldon acknowledges and agrees that he has had the opportunity to be represented by counsel in this matter, that he has read this Agreement, that he has discussed fully with counsel the terms and the legal significance of this Agreement to the extent he desired to do so, and that he freely entered into this Agreement. Release of the Company is made without reliance upon any statement or representation of the Company except those contained in this Agreement.

20. Entire Agreement. This Agreement contains the entire agreement of the parties hereto relating to the subject matter hereof and supersedes all prior agreements and understandings between the parties with respect to the subject matter hereof, and there are no written or oral terms or representations made by any party other than those made herein. No amendment or modification of this Agreement shall be valid or binding unless made in writing and duly executed by each of the parties hereto. Sheldon acknowledges that he has read and understood this Agreement and that he has been given a copy hereof for his personal use and records.

21. Notices. All notices which may or are required to be given pursuant to this Agreement shall be (i) either delivered in person or sent via certified mail, return receipt requested, and (ii) addressed to the party to whom sent or given at the address set forth on the first page hereof or to such other address as any party hereto may have given to the other party hereto in such manner. No notice sent to the Company will be deemed duly and validly given unless sent to the attention of Robert Goldberg, Senior Counsel. If delivered, such notice shall be deemed given when received; if mailed, such notice shall be deemed made or given five days after such notice has been mailed as provided above.

22. Governing Law; Jurisdiction. This Agreement and the rights and obligations of the parties hereunder shall be governed by the laws of the State of Nevada. The parties hereby waive any plea or defense of venue or jurisdiction as not being a resident of the State of Nevada, and hereby specifically agree that any action brought by either party to this Agreement must be instituted and prosecuted only in the state courts located in Clark County, Nevada, or in the United States District Court for the District of Nevada.

23. Waiver. No delay or failure by any party in exercising any of its rights, remedies, powers, or privileges hereunder, at law or in equity, and no course of dealing between the Company and Sheldon or any other person shall be deemed to be a waiver by any party of any such rights, remedies, powers, or privileges, even if such delay or failure is continuous or repeated, nor shall any single or partial exercise of any right, remedy, power, or privilege preclude any other or further exercise thereof by any party or the exercise of any other right, remedy, power, or privilege by such party.

24. Severability of Provisions. Every portion of this Agreement is intended to be severable. Whenever possible, each such provision shall be interpreted in such manner as to be valid and enforceable under applicable law. In the event any of the provisions of this Agreement should ever be deemed to exceed the time, scope, or geographic limitations permitted by applicable law, then such provisions shall be reformed to the maximum time, scope, and geographic limitations permitted by such law so as to be enforceable. Further, if any provision of this Agreement shall be prohibited by or invalid under applicable law and not subject to such reformation, such provision shall be deemed severed herefrom and shall be unenforceable to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

25. Interpretation. The item headings contained in this Agreement are for convenience only and shall in no manner be construed as a part of this Agreement. No provision of this Agreement will be interpreted in favor of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

26. Counterparts; Delivery of Signatures. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which taken together shall be deemed to constitute one and the same instrument. Signature pages to this Agreement may be delivered by fax or in pdf format, which shall evidence such party's acceptance of the terms of this Agreement. Any party which delivers a signature page by facsimile or in pdf format shall promptly thereafter deliver an originally executed signature to the other party; provided, however, that the failure to deliver an original signature page shall not affect the validity of any signature delivered by facsimile or pdf.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date last indicated below.



D. Scott Sheldon

Date

~~Allegiant Travel Company~~

By: Scott Sheldon 1/27/23

1/30/2023

Date

Title: President : COO

ATC: GREG ANDERSON

By: 

TITLE: ~~CEO~~ PRESIDENT, CEO 1/27/23

Certifications

I, John Redmond, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Allegiant Travel Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2023

/s/ John Redmond

Title: Principal Executive Officer

Certifications

I, Robert Neal, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Allegiant Travel Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2023

/s/ Robert J. Neal

Title: Principal Financial Officer

Allegiant Travel Company Certification under Section 906 of the Sarbanes/Oxley Act - filed as an exhibit to Form 10-Q for the Quarter Ended March 31, 2023

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Allegiant Travel Company (the "Company") on Form 10-Q for the period ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, John Redmond, Chief Executive Officer of the Company, and Robert Neal, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John Redmond

John Redmond

Principal Executive Officer

May 8, 2023

/s/ Robert J. Neal

Robert J. Neal

Principal Financial Officer

May 8, 2023

The foregoing Certification shall not be deemed incorporated by reference by any general statement incorporating by reference this report into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such Acts.