ALGT investor day

Maury Gallagher – Chairman & CEO

November 2012

Forward looking statements

This presentation as well as oral statements made by officers or directors of Allegiant Travel Company, its advisors and affiliates (collectively or separately, the "Company“) will contain forward-looking statements that are only predictions and involve risks and uncertainties. Forward-looking statements may include, among others, references to future performance and any comments about our strategic plans. There are many risk factors that could prevent us from achieving our goals and cause the underlying assumptions of these forward-looking statements, and our actual results, to differ materially from those expressed in, or implied by, our forward-looking statements. These risk factors and others are more fully discussed in our filings with the Securities and Exchange Commission. Any forward-looking statements are based on information available to us today and we undertake no obligation to update publicly any forward-looking statements, whether as a result of future events, new information or otherwise. The Company cautions users of this presentation not to place undue reliance on forward looking statements, which may be based on assumptions and anticipated events that do not materialize.

Current state - excellent

- Helped develop new paradigm – MAKING MONEY
- Past 6 years averaged 15% operating profit with 4x growth
- Return on Invested Capital, Equity - Since 2007:
  - Invested capital – Earned $290m since beginning of 2008 on avg of $362m of net capital, 80% return over 5 year period
  - Return on equity – Earned 20.6% on average during period
- Balance sheet
  - $400m of cash at present
  - Negative net-debt of 52% as of Sept 30, 2012
  - Ability to repurchase shares in open market
- Special dividend - Just declared $2 per share special dividend payable in Dec 2012

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Very low cost structure

- Have lowest ex-fuel costs in US - 5 cent plus cost/ASM
  - Closest is Spirit at 6 cents
  - 15% advantage over Spirit
- Almost 50% advantage over
  - Southwest – 7.7 cents
  - Alaska – 7.6 cents
- Southwest LTM 3Q12 spent $91 per passenger ex fuel – G4 $57

CASM ex fuel figures are LTM 3Q12

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Future – focused on more of the same

- Maintain/improve cost structure
- Continue model with low cost aircraft - market is good
- Take advantage of strong balance sheet - cash position
- Take advantage of automation
  - Increase product offerings
  - Unit revenues

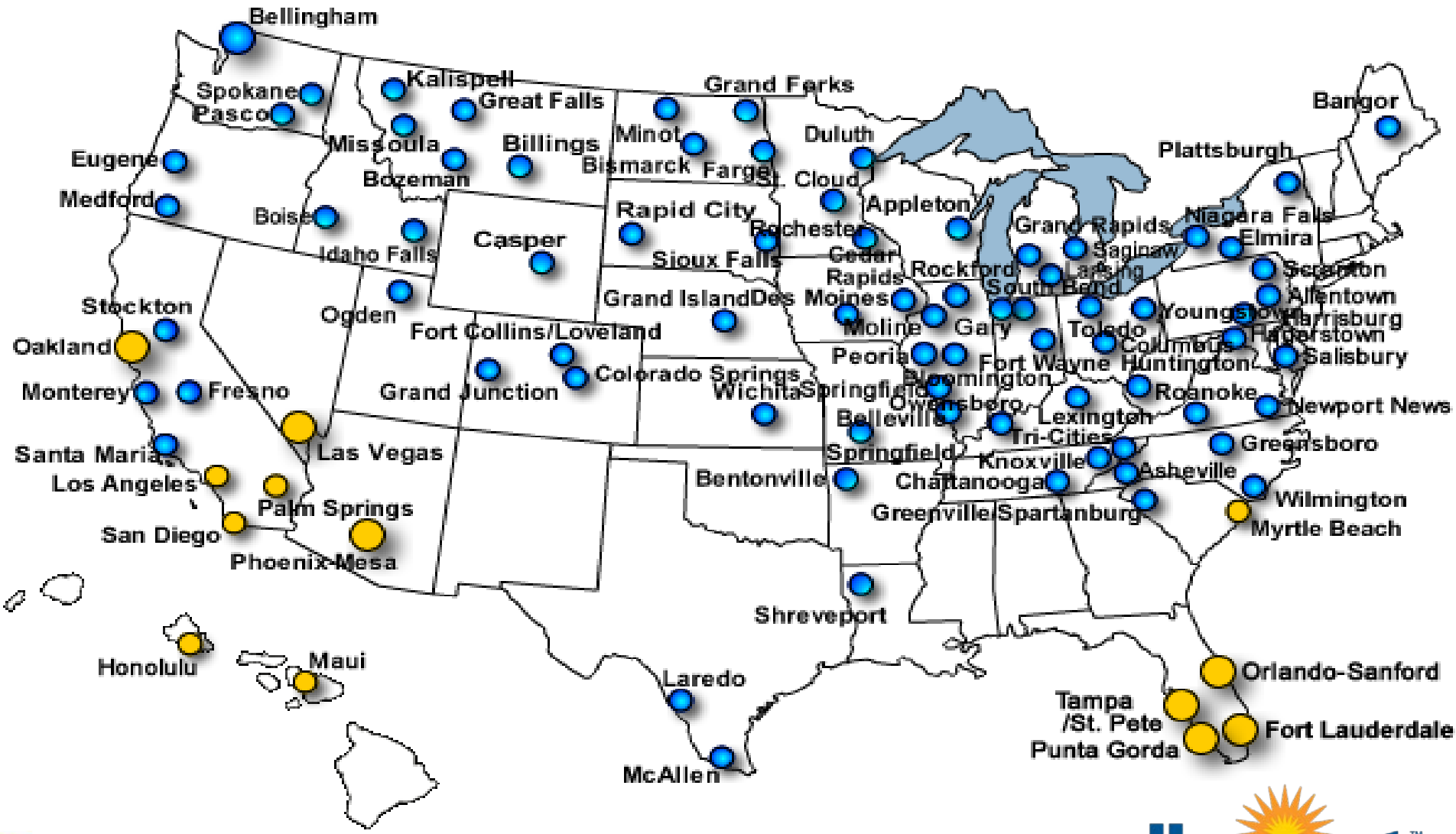
allegiant™ Travel is our deal.

Map with lines



allegiant™
Travel is our deal.

Map with no lines



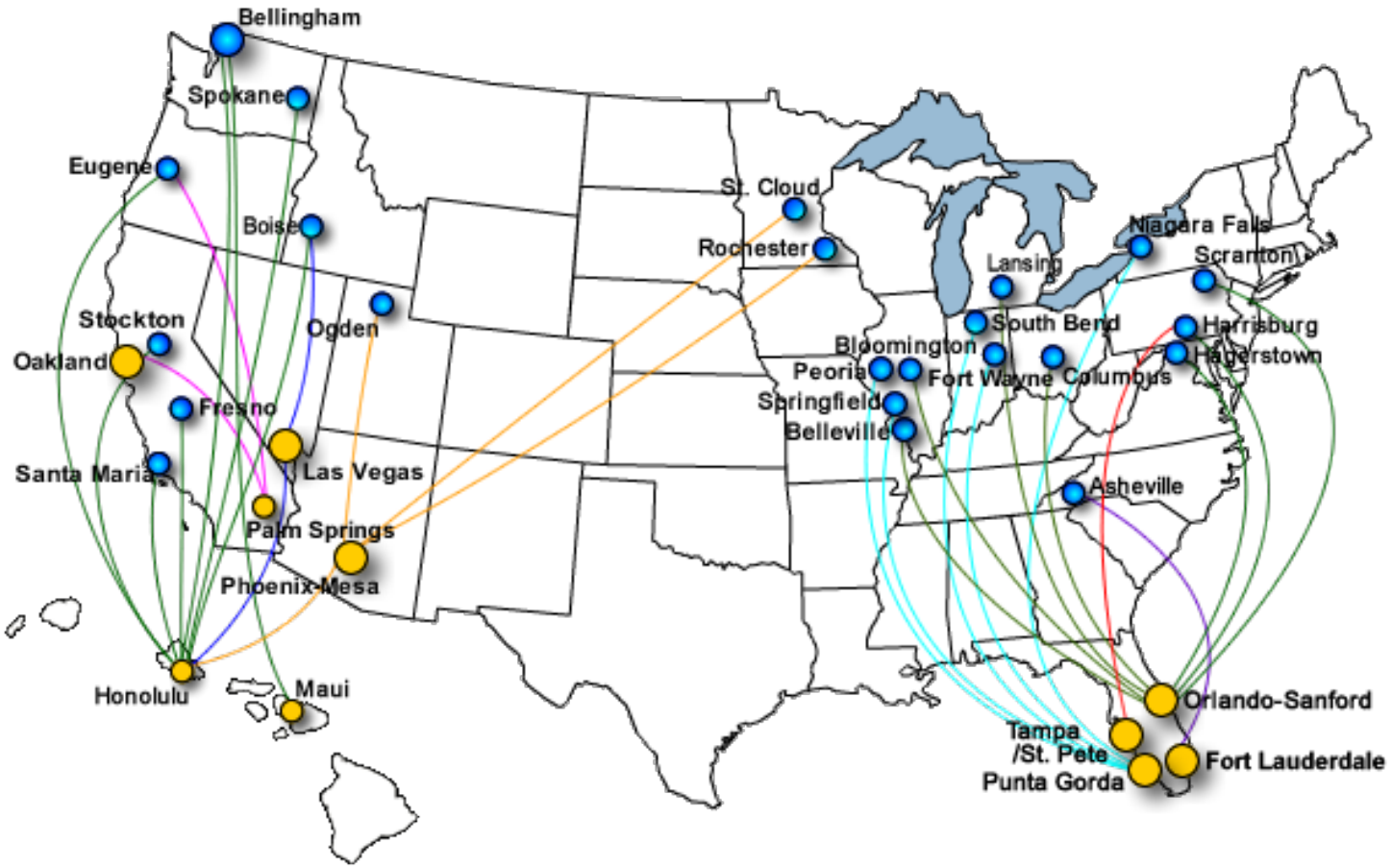
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Jude Bricker – SVP Planning/Treasurer

November 2012

2012 capacity growth

2012 New Markets

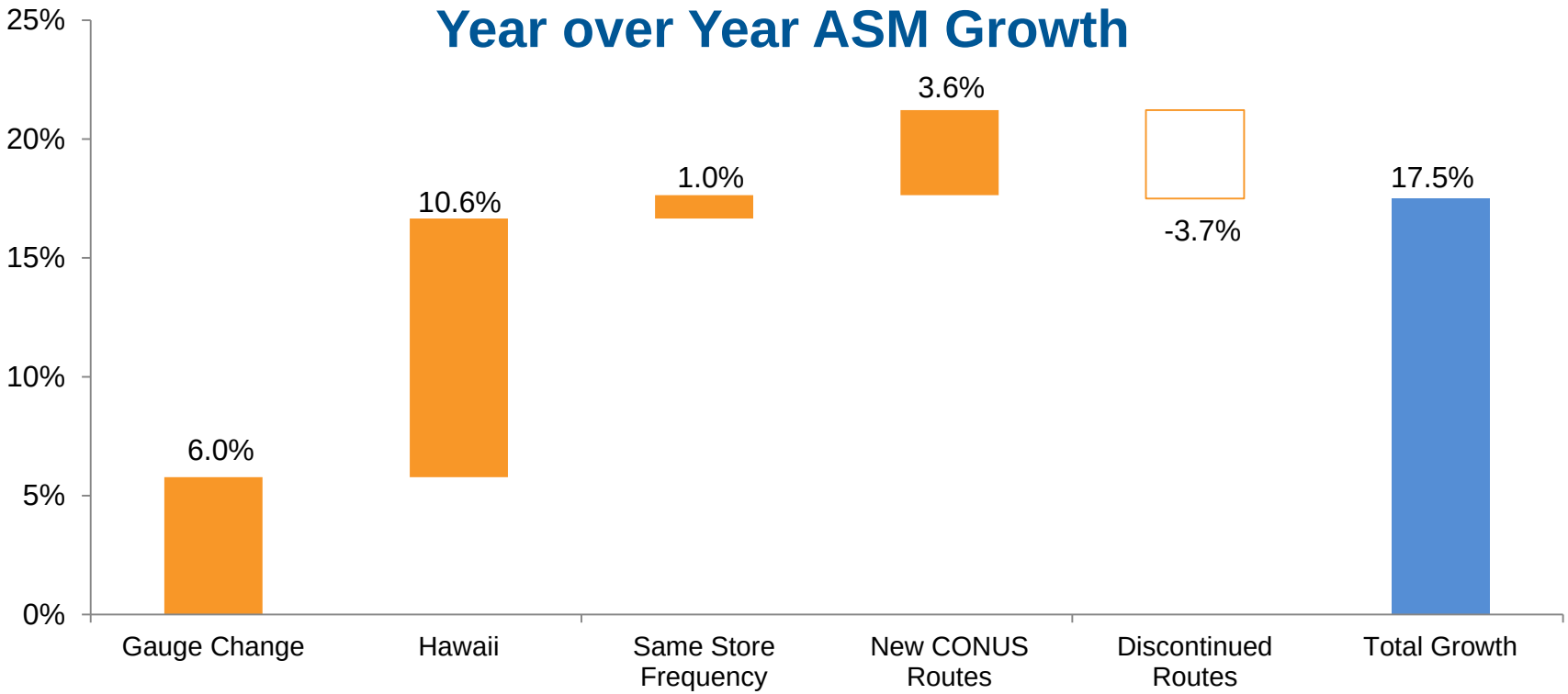


- 30 New market launches
- Focus on HI, PGD, and Airtran back-fill

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Current 2013 capacity plan

- Current growth plan is primarily comprised of 166 seat + Hawaii
- 2013 scheduled ASM YoY growth expected to be +15 to +20%



	Gauge Change	Hawaii	Same Store Frequency	New CONUS Routes	Discontinued Routes	Total Growth
2012 v 2011	**8.8%**	**3.7%**	**2.8%**	**7.4%**	**-2.9%**	**19.7%**

"Gauge Change" includes changes from MD80 to 757 or A319
Total growth is midpoint of guided range

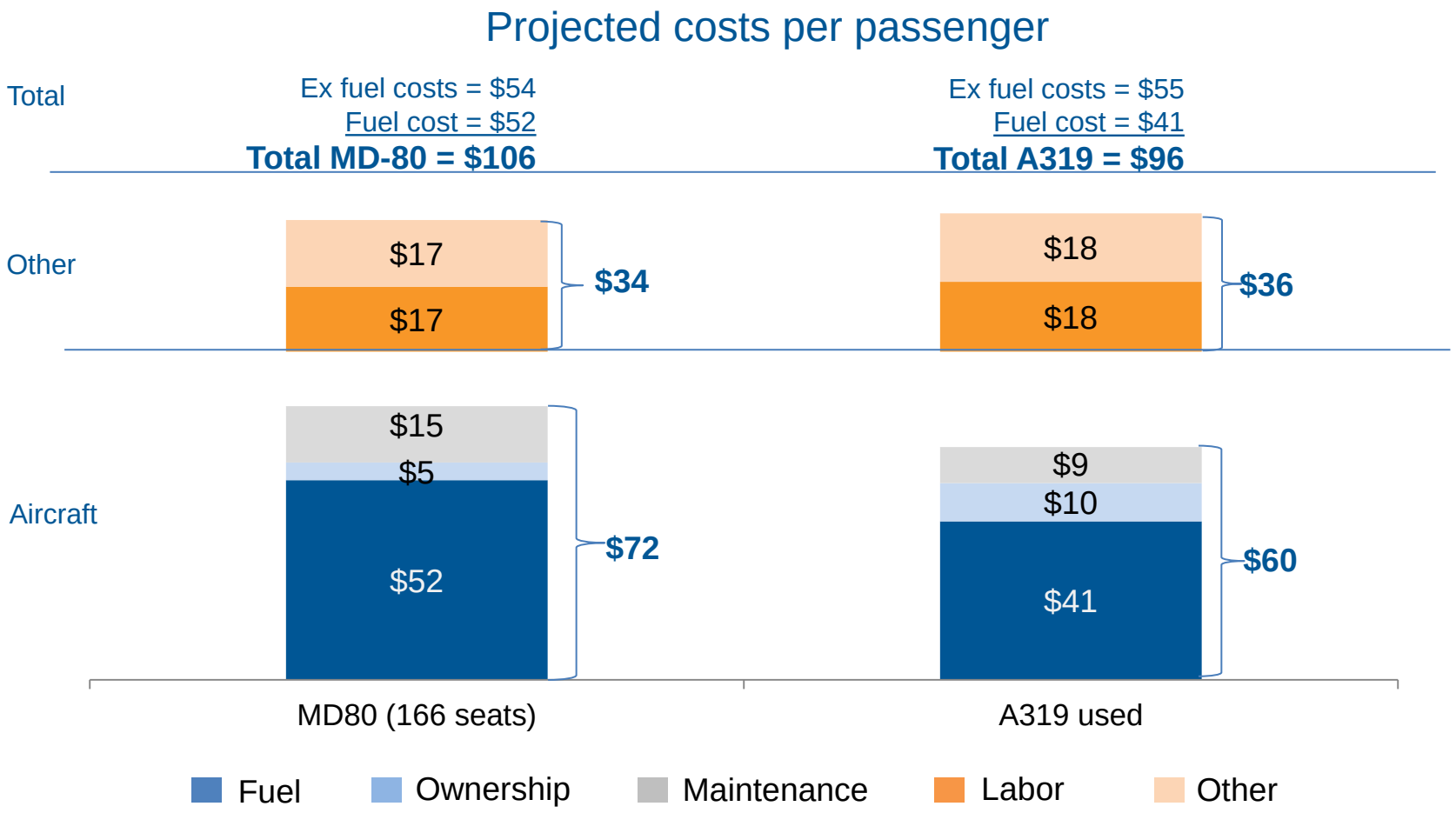
A319 capacity planning

- A319s are not in the schedule through June (replacement only)
- Fall 2013 capacity load could include (based on A319 capabilities):
  - Shorter and higher airfield markets
  - Long range
  - Mexican / Caribbean
  - Incremental off-peak flying



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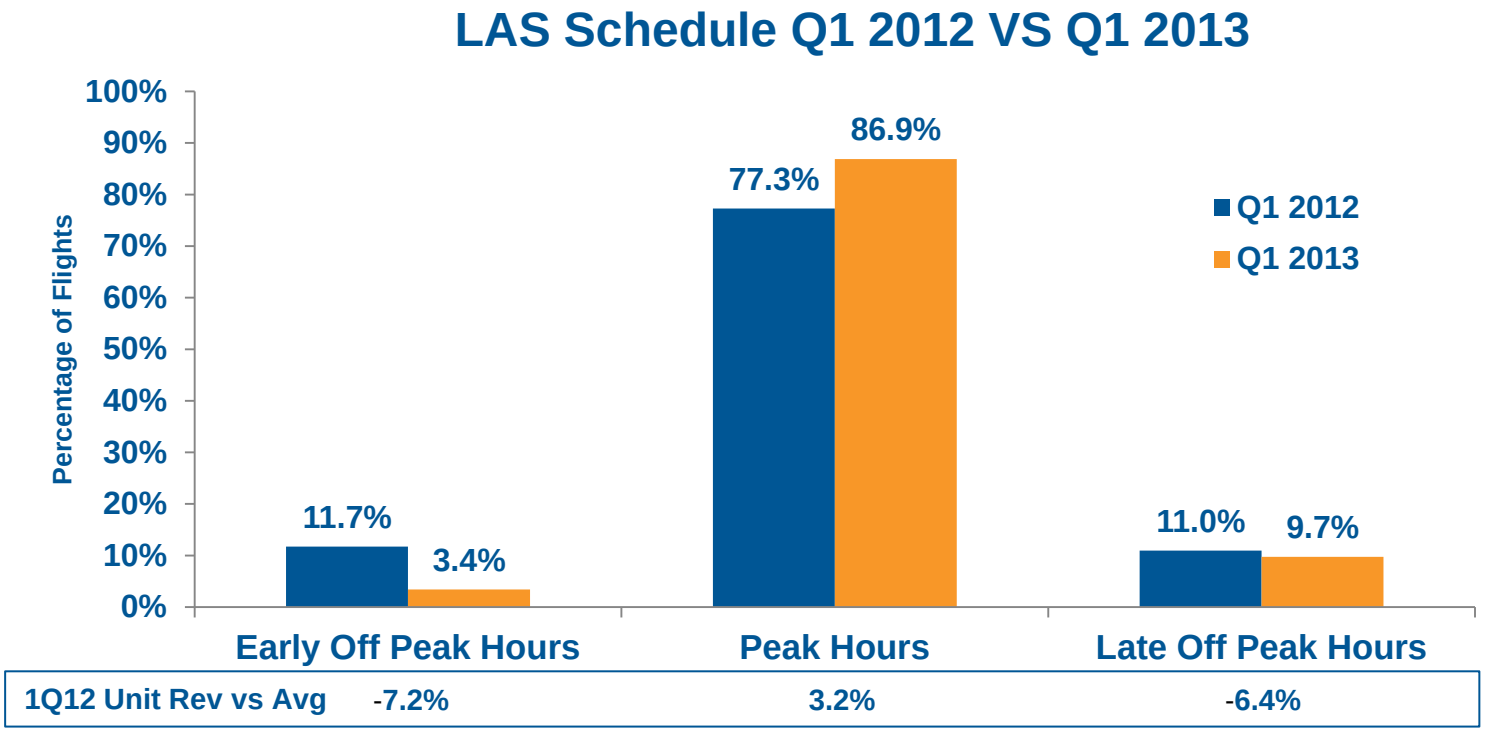
Aircraft cost comparison (utilization of 8.9 hours/day)



Assumptions
Ownership includes depreciation & amortization and aircraft rent
$3.25 fuel cost per gallon
90% load factor
Top 20 lines of flying are 8.9 BH/day

Other capacity initiatives

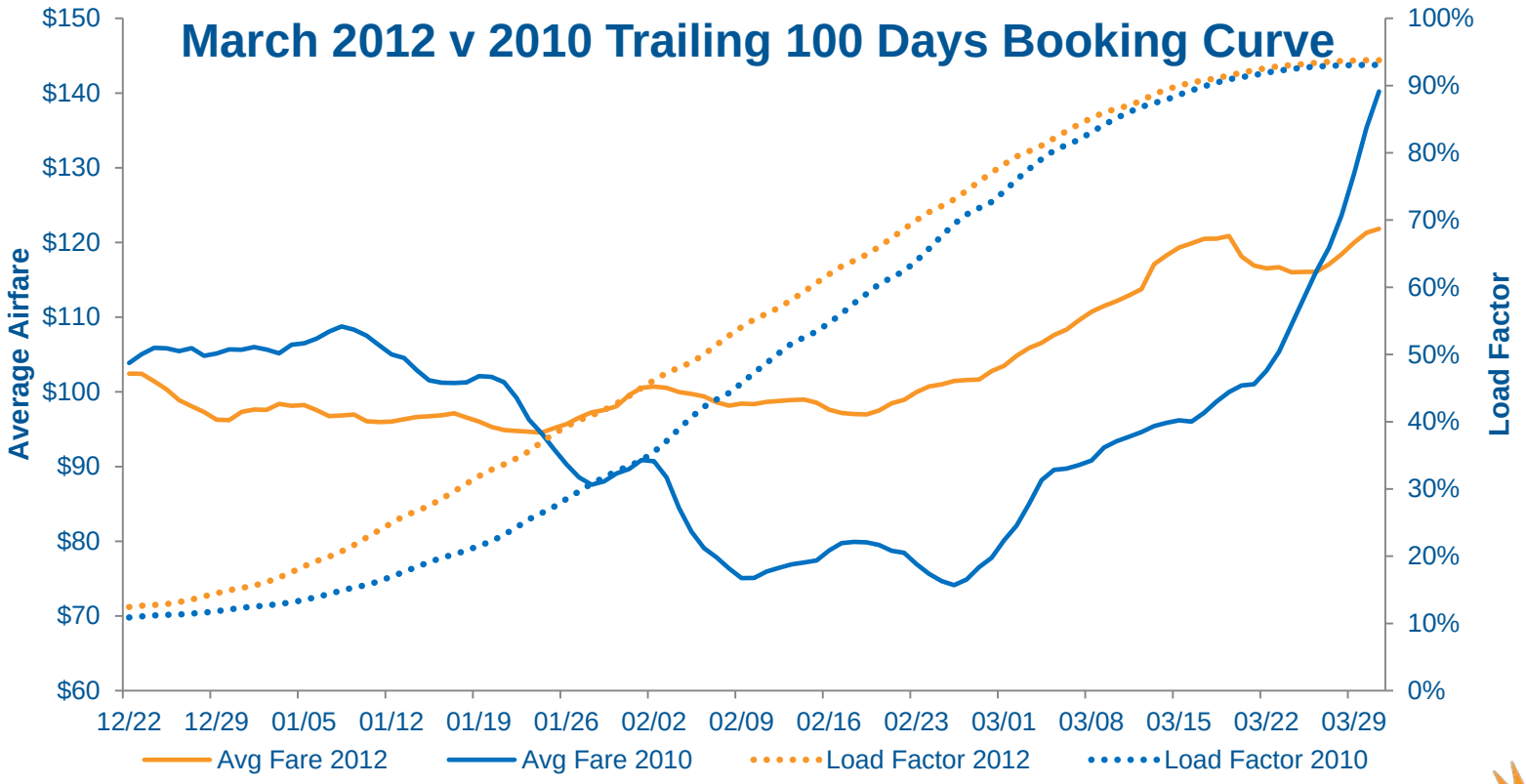
- More efficient time-of-day scheduling
- Optimizing peak capacity by month



Early flights are departures before 0700; or, arrivals before 1100
Late flights are departures after 1900; or, arrivals after 2200

Pricing initiatives

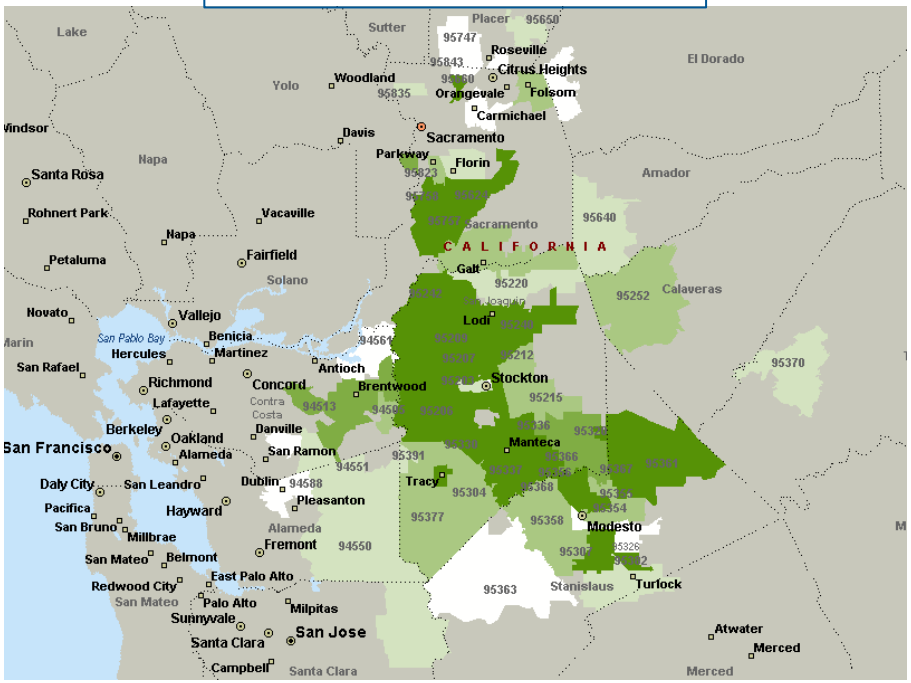
- Algorithmic approach to price
- Next step – applying the same methods to all products



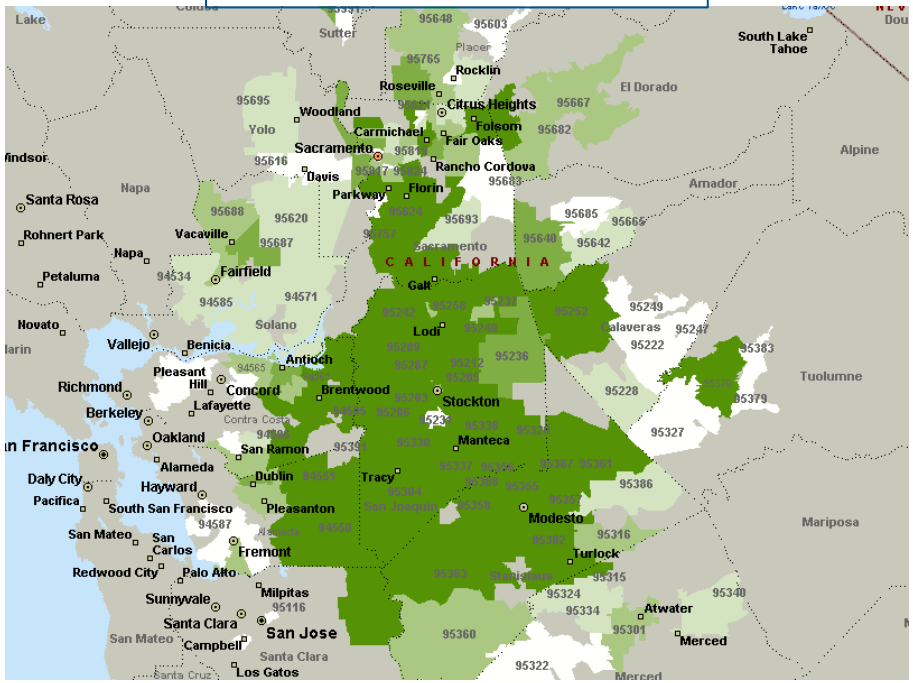
Catchment area expansion

- Continue to see market growth in mature markets
- Customers show willingness to travel for access to low fares

Stockton Catchment 2009



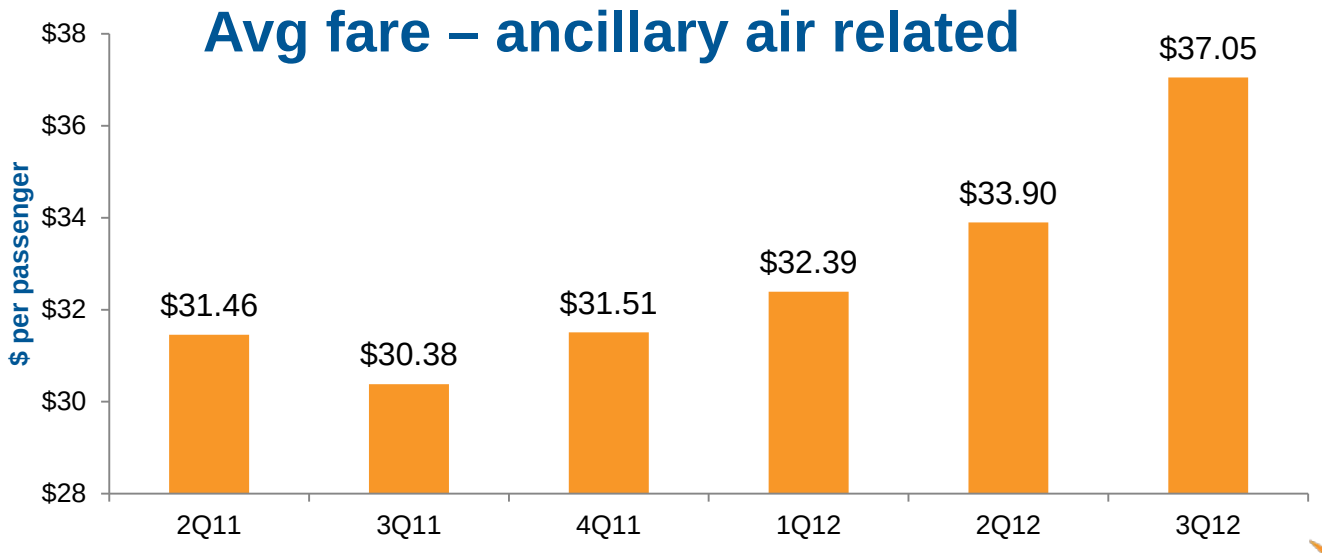
Stockton Catchment 2012



Heat map by credit card zip code; darkest green is more than 400 segments

Revenue initiatives

- Overhead bags + Airport bag fees
- Seat Assignment pricing
- Tripflex display and pricing
- Priority boarding revamp



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Other revenue

- Fixed Fee flying
  - Caesar's contract ends in January 2013
  - “Free” MD-87 available to support Ad-Hoc charters through 1H13
  - DOD charter opportunities with B757
- B757 leases have been terminated and aircraft returned

Fleet update

- Six 757s in-service by 1Q13
- 51 MD80s modified to 166 seat configuration by 1Q13
  - 1 MD87 retires YE 2012; 1 MD87 retires summer 2013
  - 5 150 seat MD80s retiring through YE 2013
- 9 ex-Easyjet A319s – lease is final; 1st delivery at year end
- 10 ex-Cebu A319s – purchase is still being negotiating

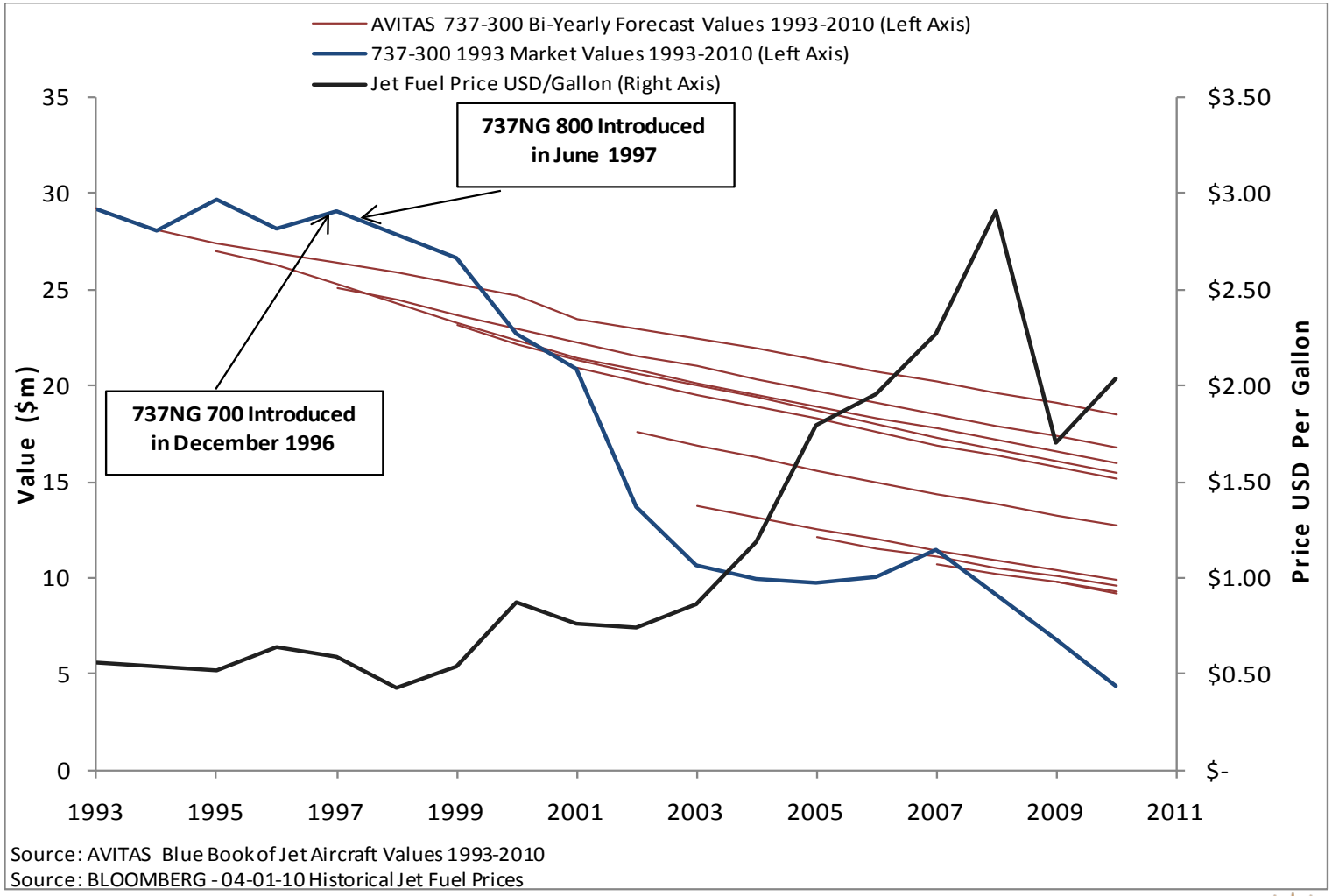
	YE 2012	1Q13E	2Q13E	3Q13E	4Q13E	FY 2013	FY 2014
MD80 (owned)	58	57	56	52	51	51	51
B757 (owned)	6	6	6	6	6	6	6
A319 (leased)	1	2	2	2	2	2	4
A319 (owned)	-	1	2	4	7	7	10
Total	65	66	66	64	66	66	71

Delivery dates are shown

A320 used market

- A320 opportunities for replacement and growth
- Used A320 market catalysts:
  - Obsolesce due to new engine models
  - Spread on debt financing new vs used equipment
  - Slow demand growth
  - Increasing production rates by the OEMs
  - Airline consolidation
  - Fleet replacements
  - Other: stronger dollar, higher interest rates, or slower inflation/deflation

B737 classic values



Source: AVITAS Blue Book of Jet Aircraft Values 1993-2010
Source: BLOOMBERG - 04-01-10 Historical Jet Fuel Prices

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MD80 values keep costs down

- MD80 engines trade at a discount to maintenance value
- Market conditions should continue with AA MD80 retirements

STANDARD	2010	2011	2012
ESV Cost/cyc ($)	$161.82	$166.67	$171.67
LLP Cost/cyc (inc spoilage) ($)	$77.46	$82.88	$88.68
Total Cost/cyc ($)	$239.28	$249.55	$260.35
Total MD80 Engine Cycles	95,972	98,034	105,266
Total Standard Cost ($mm)	$23.0	$24.5	$27.4
Cost/Avg AC (MD80 only)	*$450,270*	*$465,988*	*$472,517*
ALLEGIANT			
Engine OH ($mm)	$5.1	$18.3	$7.1
Incr. Depreciation ($mm)	$1.8	$2.0	$2.3
Net Gain/Loss($mm)	$2.8	$2.3	$2.1
Total Actual Cost ($M)	$9.7	$22.6	$11.5
Cost/Avg AC (MD80 only)	*$190,909*	*$430,188*	*$198,654*

"Standard" rates include average over haul rates of $1mm per ESV2 and $500K per ESV1
LLP costs are per OEM CLP

ALGT investor day

Kris Bauer – SVP Operations

November 2012

Getting the Airbus on our certificate

- Manuals submitted
- Training begun
  - Maintenance, pilots, flight attendants
- Proving runs scheduled for February
  - Will be performed in Phoenix
- In service targeted 2Q13
- First aircraft has undergone C-check and painted in Allegiant livery

Allegiant A319



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Managing 3rd aircraft type

- Dedicated fleet manager positions
  - Flight operations and maintenance
- Substantially improved technical management
- Substantially improved safety department
- Enhanced safety programs
  - ASAP, FOQA, FRMS
- Improved reliability will reduce day to day complexity

Labor update

- Flight attendants
- Pilots
- Dispatchers

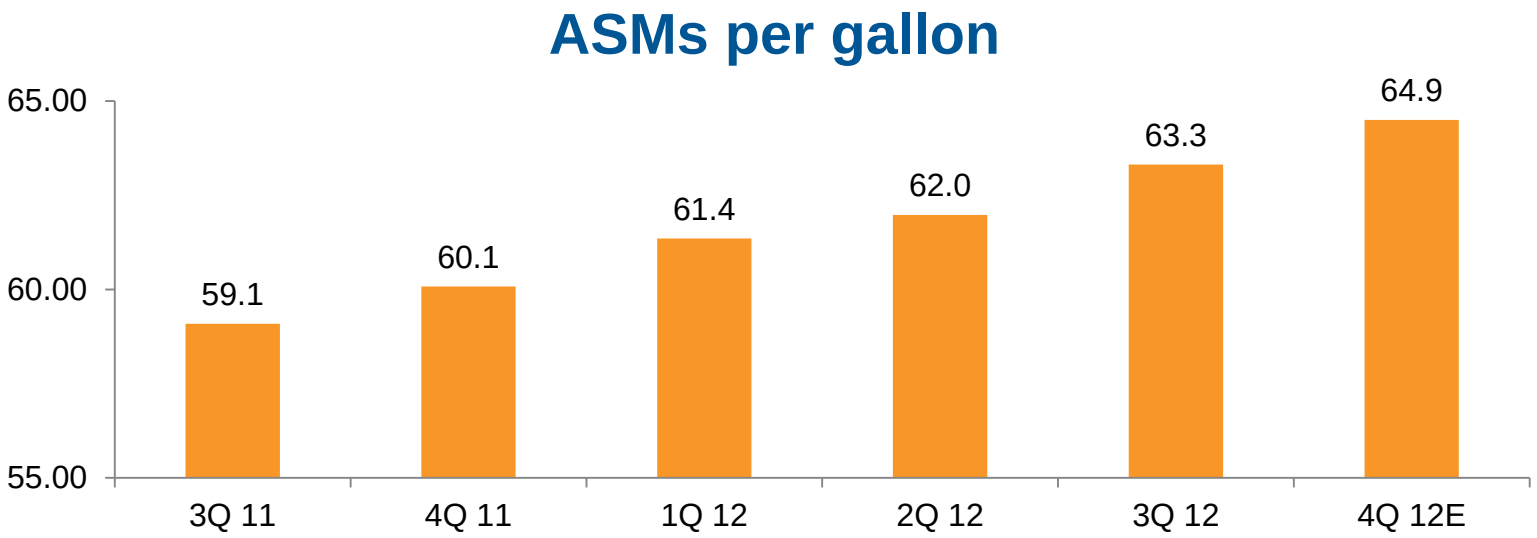
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Scott Sheldon - CFO

November 2012

Aircraft fuel

- Improving fuel efficiency even before adding A319s
  - Over 7% improvement 3Q12 vs 3Q11



	3Q 11	4Q 11	1Q 12	2Q 12	3Q 12	4Q 12E
150 seat MD-80	49	47	39	30	20	13 -15
166 seat MD-80	1	7	17	26	36	43-45
757	1	1	1	3	4	4
$ per gallon	$3.12	$3.08	$3.28	$3.14	$3.11	$3.20

Aircraft counts are end of period
4Q12E ASMs per gallon are estimated between 64 and 65
4Q 12E fuel price is estimate based on forward curve as of 11/8/12

Salary and benefits

- Pilots
  - Moving from band 2 to band 3
    - $3 - $4m annual increase, effective Nov 1
    - Increasing efficiency – 79% BH/PD ratio, up 6.7% YOY
- Flight attendants
  - full year 166 seat complement
    - $2.9M incremental costs YOY
    - Increasing efficiency – 84% BH/PD ratio, up 2.7% YOY
- IT - continuing commercial and operational support
  - Majority of 2012 labor was outsourced
    - Spend trending from CAPEX to OPEX

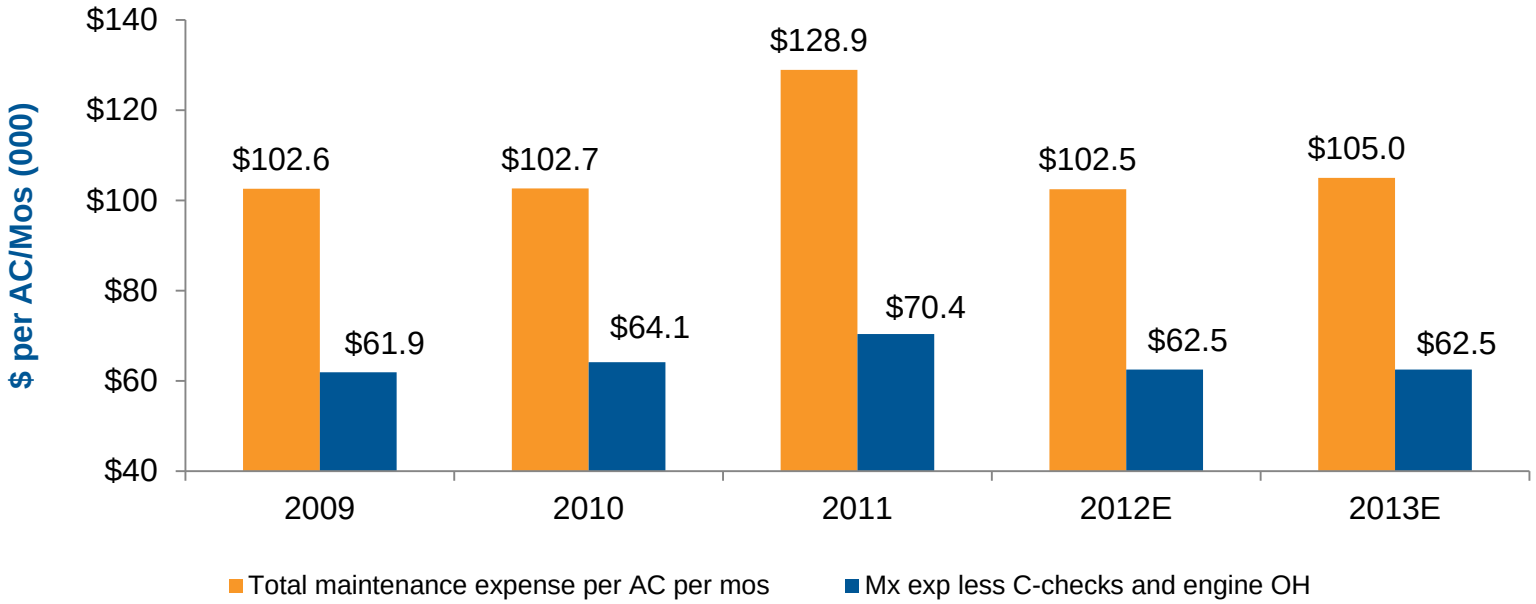
Station operations

- Major destinations
  - Las Vegas – same footprint, $4.5m annual increase in 2013
  - Hawaii – nearly 2x average destination turn cost
- Secondary/smaller cities
  - More efficient, lower costs
  - Good cost control, trending towards $1k per departure
  - Average 40% lower cost per departure than destination cities

Maintenance and repairs

- Heavy check line $$ flat YoY, events slightly up
- Engine overhauls – 1st RB211 with minimal JT8D activity
  - Expect $7-$10m in 2013 vs ~$7m in 2012

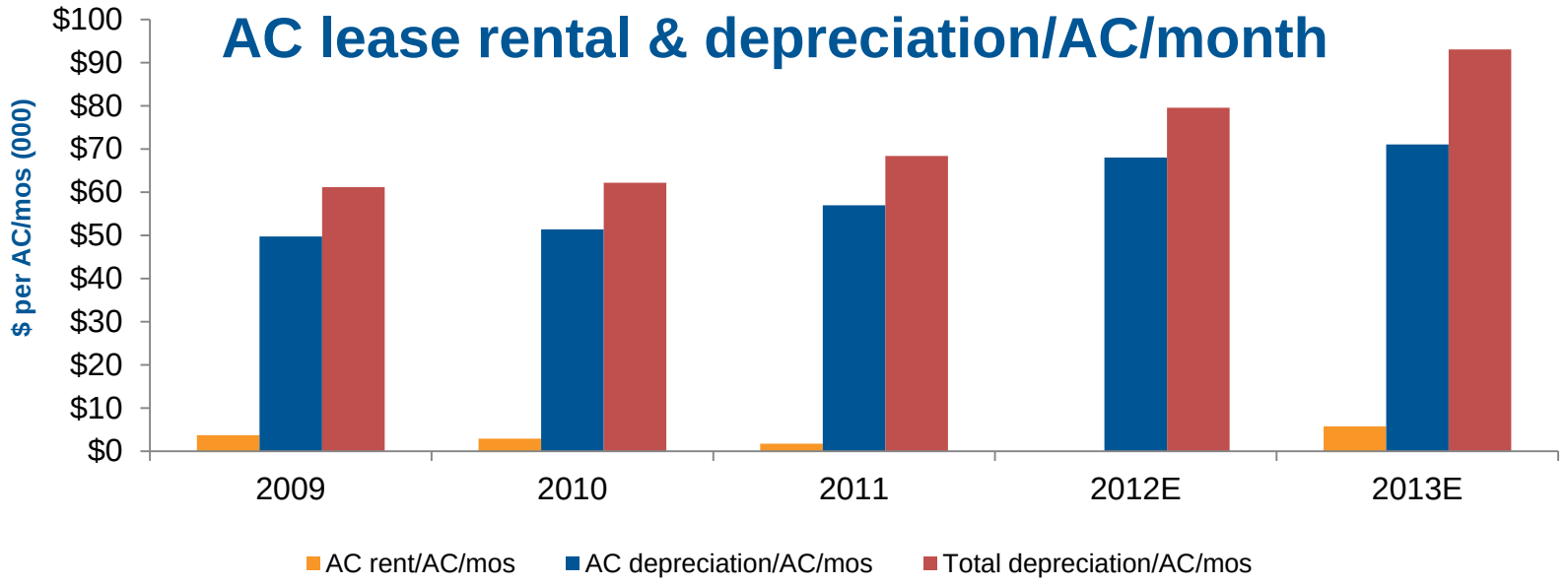
Maintenance per aircraft per month



2012E maintenance per AC/Mos expected $100-$105k, non c-check/engines per AC/Mos expected $60-$65k
2013E maintenance per AC/Mos expected $100-$110k, non c-check/engines per AC/Mos expected $60-$65k

Ownership costs

- D&A pressure due to 166 seat mods, 757s, A319s
- Accelerating MD-80 depreciation due to future retirements

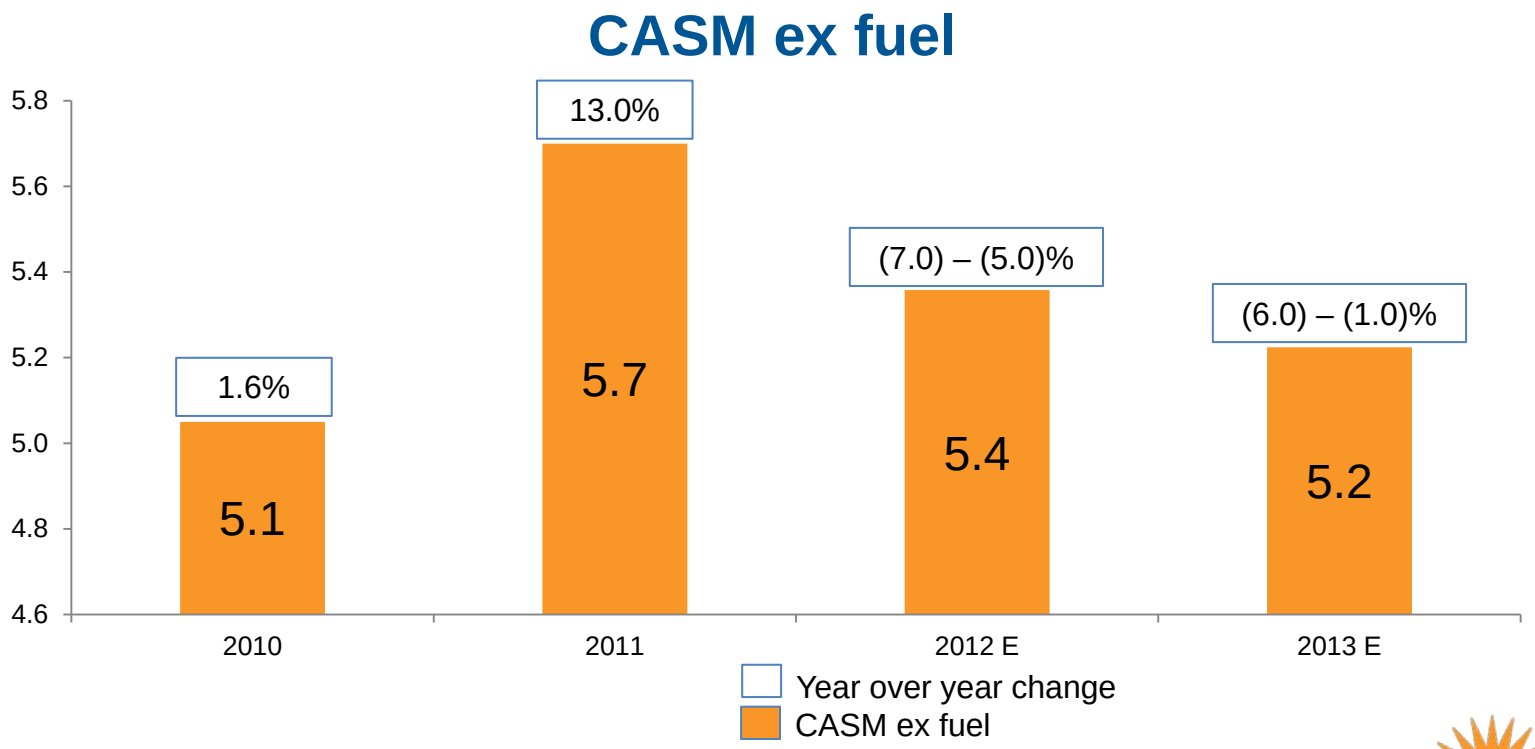


AC rent $m	$1.9	$1.7	$1.1	$0	$4 to $6
AC D&A per AC	$49.7	$51.3	$56.9	~$68	$70 to $72

Amounts are per AC/month - $000s

Continued cost improvement

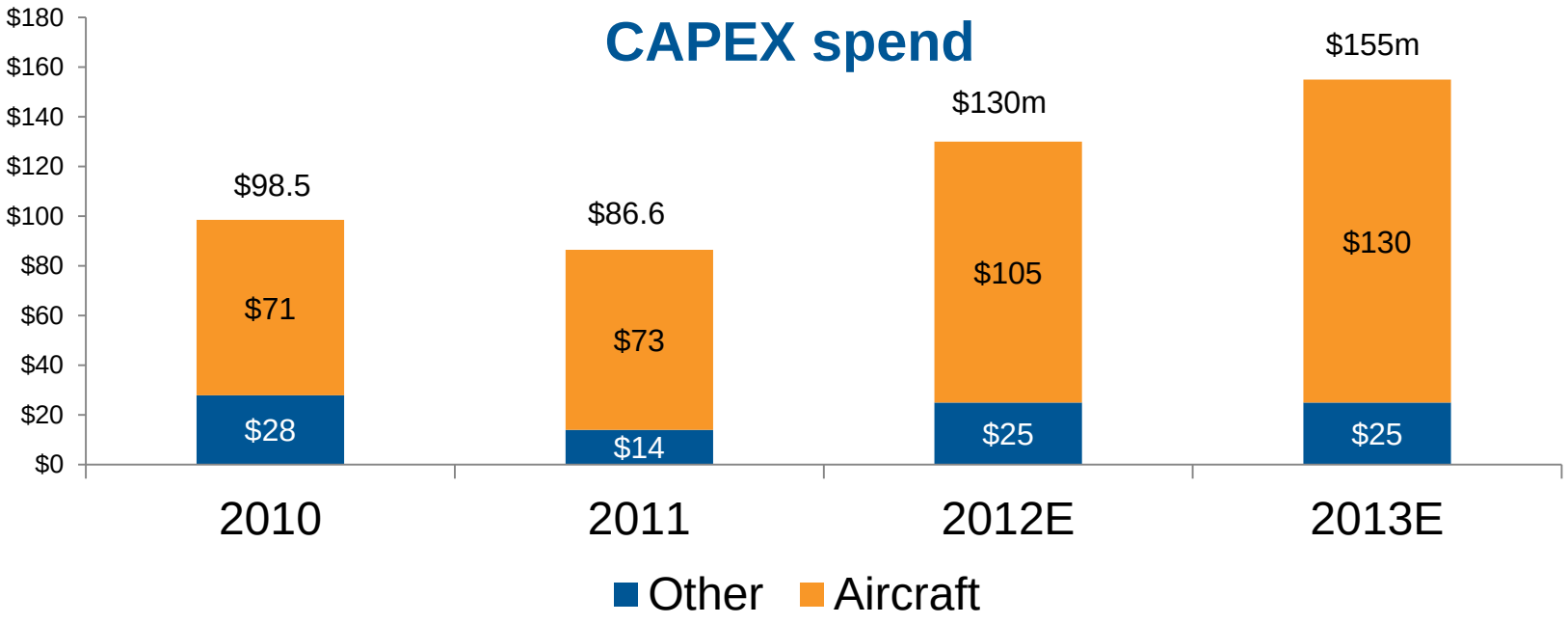
- Lowest CASM ex in the U.S.
- Airbus fleet expected to lower unit costs



2012 and 2013 CASM ex numbers assume midpoint of guided ranges

CAPEX

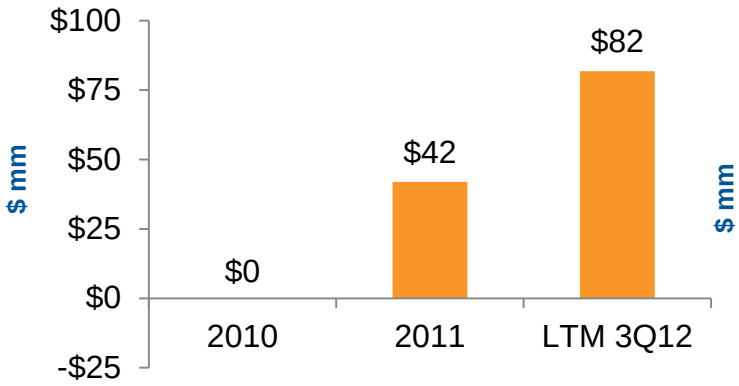
- Airbus acquisitions > 85% of aircraft spend in 2013
- MX CAPEX run rate ~ $15m per year



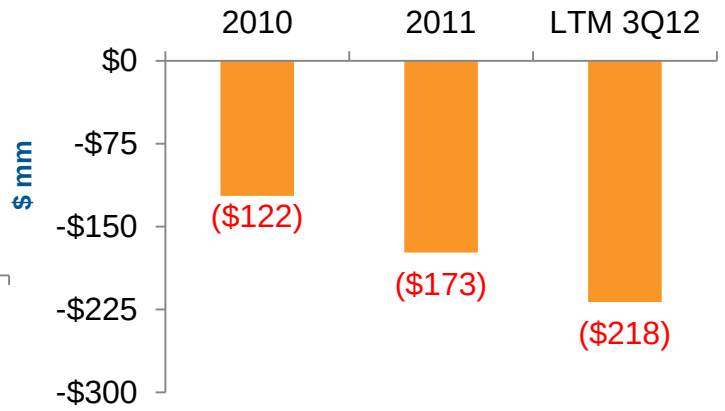
2012E and 2013E are midpoint of guided ranges

Strong cash generation

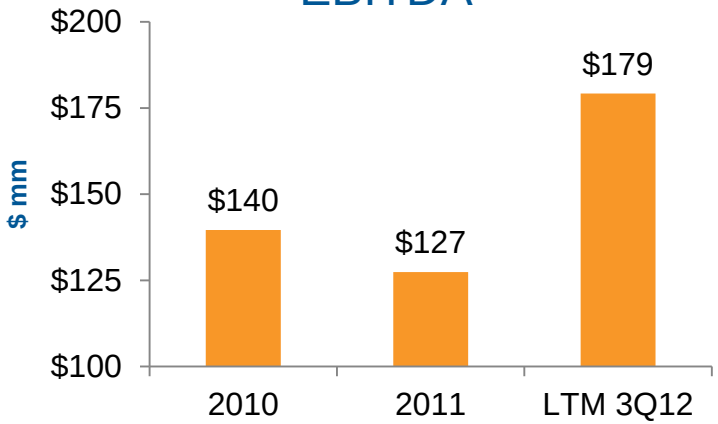
Free cash flow



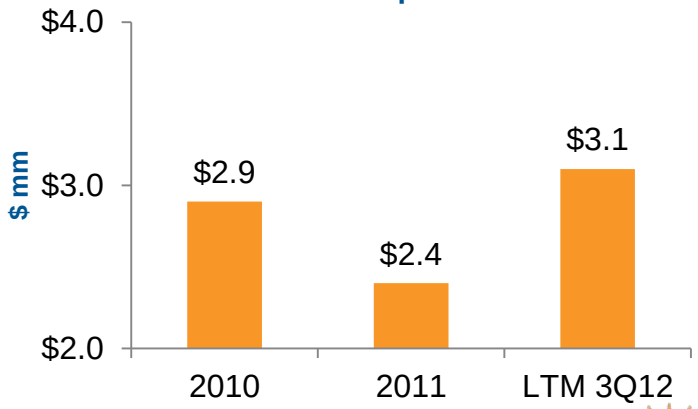
Net debt



EBITDA



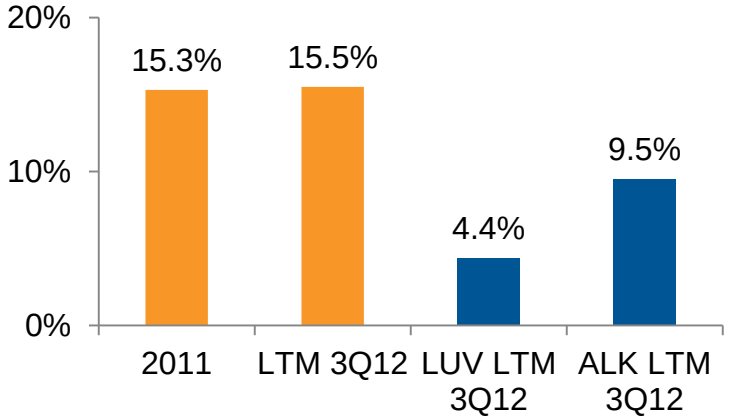
EBITDA per AC



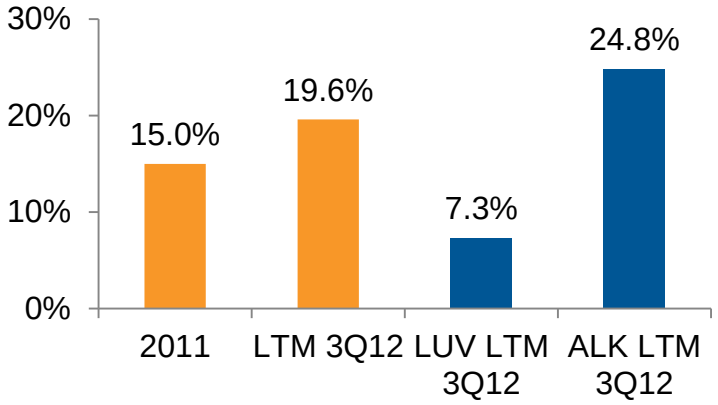
See reconciliation tables below

Balance sheet strength

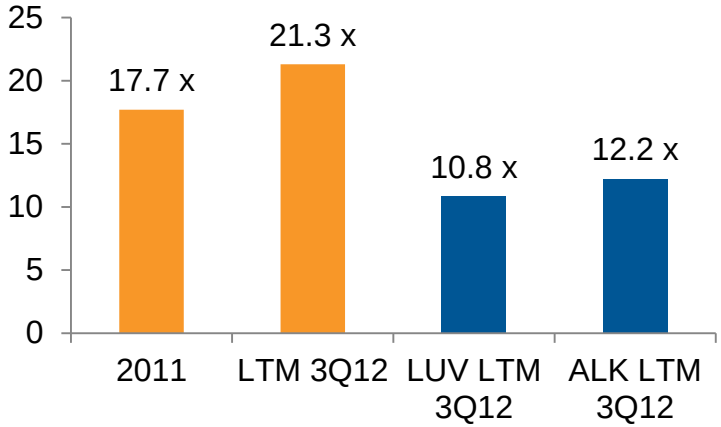
Return on capital employed



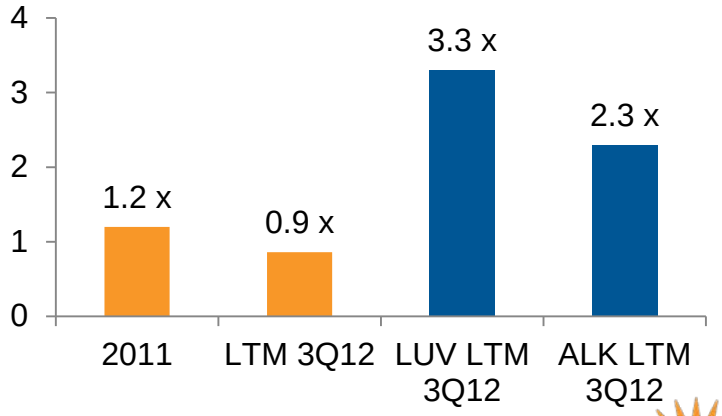
Return on equity



Interest coverage



Debt / EBITDA



LUV = Southwest Airlines, based on published information
ALK = Alaska Airlines, based on published information

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GAAP reconciliation

EBITDA calculations

$mm	LTM 3Q12	2011	2010	2009	2008
Net Income	74.6	49.4	65.7	76.3	35.4
+Provision for Income Taxes	45.1	30.1	37.6	44.2	19.8
+Other Expenses	7.4	5.9	1.3	1.6	.7
+Depreciation and Amortization	52.1	42.0	35.0	29.6	23.5
=EBITDA	**179.2**	**127.4**	**139.6**	**151.8**	**79.4**
Total debt	153.7	146.0	28.1	45.8	64.7
+7 x annual rent	1.1	7.7	12.0	13.5	19.7
Adjusted total debt	154.8	153.7	40.1	59.3	84.4
=Adjusted Debt to EBITDA	**0.9x**	**1.2x**	**0.3x**	**0.4x**	**1.1x**
Average aircraft in period	58	52.3	47	43	36
=EBITDA per aircraft	**3.1**	**2.4**	**2.9**	**3.6**	**2.2**
Interest expense	8.4	7.2	2.5	4.1	5.4
= Interest coverage	**21.3x**	**17.7x**	**55.4x**	**37.2x**	**14.7x**

GAAP reconciliation

Return on equity

$mm	LTM 3Q12	2011	2010	2009
Net Income ($mm)	74.6	49.4	65.7	76.3

	Sept 2012	Sept 2011	Dec 2011	Dec 2010	Dec 2009
Total shareholders equity ($mm)	423.1	339.1	351.5	297.7	292.0
Return on equity	**20%**		**15%**	**22%**	

ROE = Net income / Avg shareholders equity

GAAP reconciliation

Return on capital employed calculation

$mm	LTM 3Q12	2011	2010	2009
+ Net income	74.6	49.4	65.7	76.3
+ Income tax	45.1	30.1	37.6	44.2
+ Interest expense	8.4	7.2	2.5	4.7
- Interest income	1.0	1.2	1.2	2.5
EBIT	127.1	85.5	104.6	122.7
+ Interest income	1.0	1.2	1.2	2.5
Tax rate	37.7%	37.9%	36.4%	36.2%
Numerator	**79.8**	**53.9**	**67.3**	**79.6**
Total assets prior year	690.1	501.3	499.6	424.0
- Current liabilities prior year	181.3	166.6	158.6	131.0
+ ST debt of prior year	7.9	16.5	23.3	25.3
Denominator	**516.7**	**351.2**	**364.3**	**318.3**
= Return on capital employed	**15.4%**	**15.3%**	**18.5%**	**25.0%**

GAAP reconciliation

Free cash flow calculations

$mm	LTM 3Q12	2011	2010
Cash from operations	188.3	129.9	98.0
- CAPEX	106.5	88.0	98.5
= Free cash flow	**81.8**	**41.9**	**(0.5)**

GAAP reconciliation

Net debt

$mm	Sept 2012	Dec 2011	Dec 2010
Current maturities of long term debt	11.6	7.9	16.5
Long term debt, net curr maturities	142.1	138.2	11.6
Total debt	153.7	146.1	28.1
Cash and cash equivalents	157.1	150.7	113.3
Short term investments	200.0	154.8	35.7
Long term investments	14.8	14.0	1.3
Total cash	371.9	319.5	150.3
= Net debt	**($218.2)**	**($173.4)**	**($122.2)**

ALGT investor day

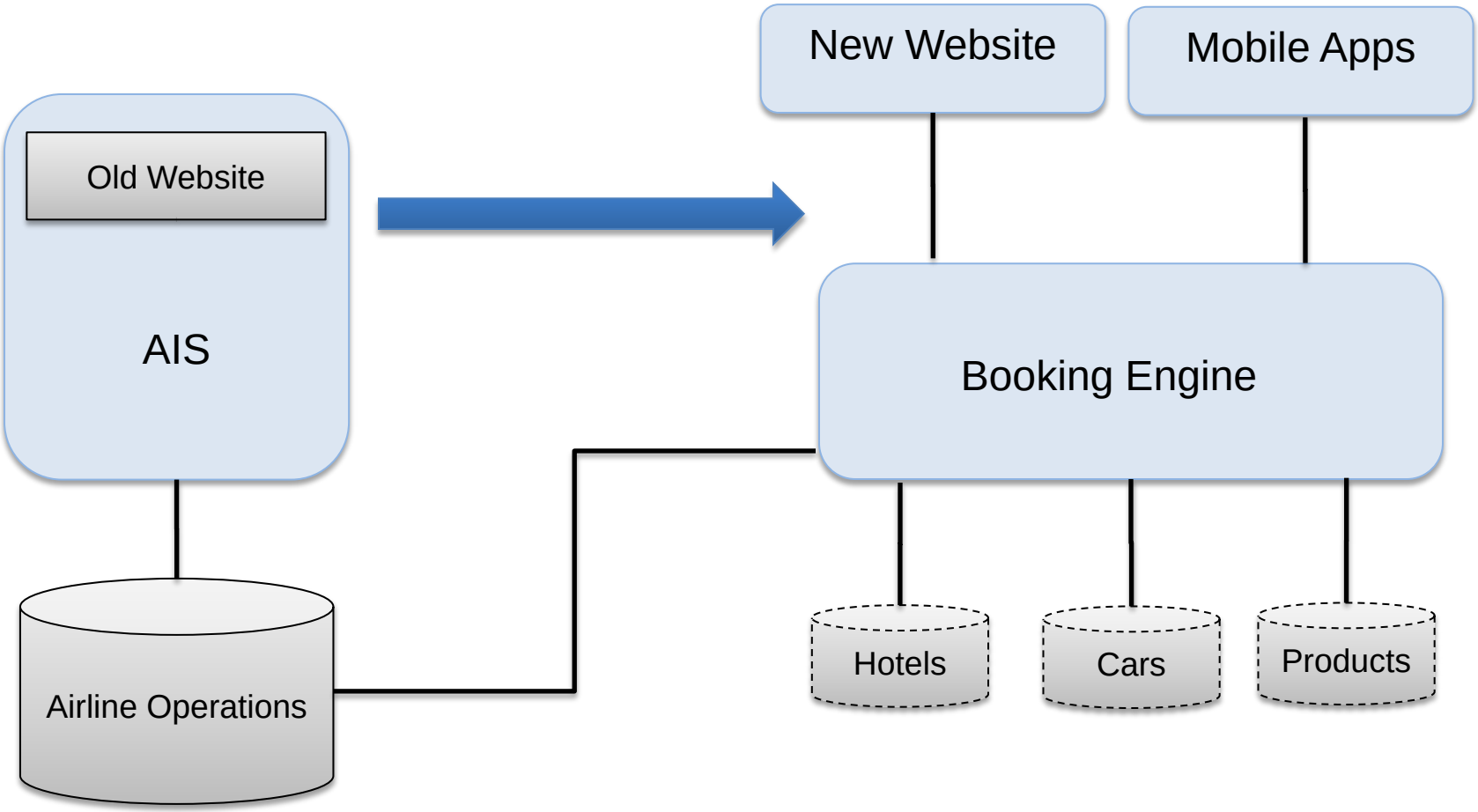
Scott Allard - CIO

November 2011

Allegiant technology

- Proprietary technology platform
  - Integrated operations, distribution, and finance
  - Control over platform allows product changes and innovation
- Mission
  - Preserve advantages of proprietary platform
  - Support product expansion and growth
  - Modular platform for agility
  - End objective => flexible, scalable systems - a generation ahead

New booking engine



New platform advantages

- Scalability
- Flexibility and Agility
- Marketing drives, not IT
- Content management system for efficient merchandising
- A/B testing offers continual improvement

Technology timeline

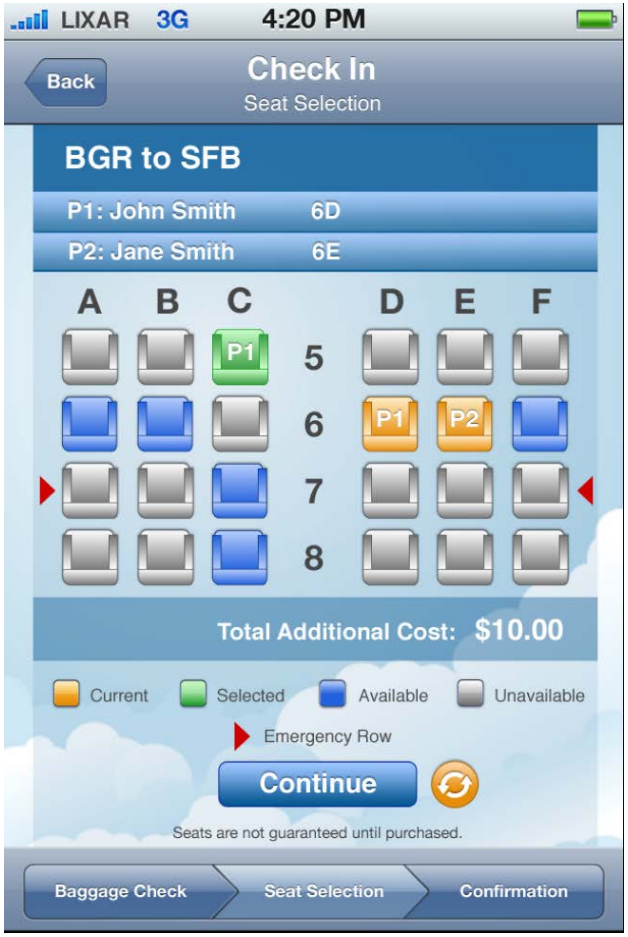
- CRM – 2Q13
  - Co-branded credit card
  - Travel Club
- Pricing Enhancements - 3Q13
  - Additional Air fare buckets
  - Market directional pricing
  - Market-specific hotel pricing
- SuperPNR - 3Q13
  - Standalone hotel, ancillary sales
  - Other Air sales
- International – 4Q13

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Mobile opportunities

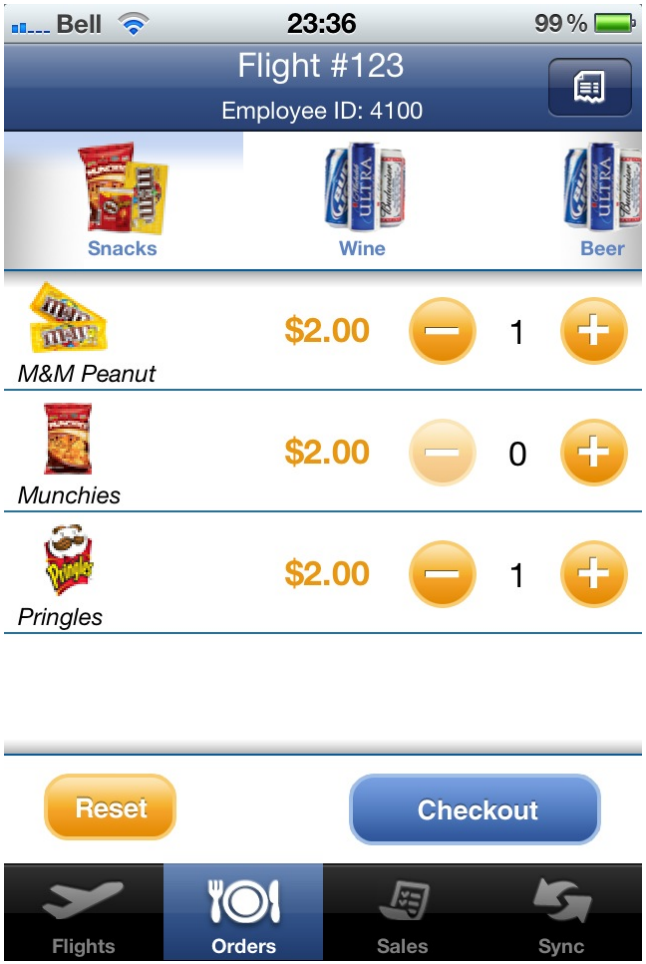
- 20% of web traffic comes from mobile
- Mobile extends the selling window
  - Ancillary upsells during mobile check-in
  - Onboard sales via mobile flight attendant app
  - In-market ancillary sales via Deals app

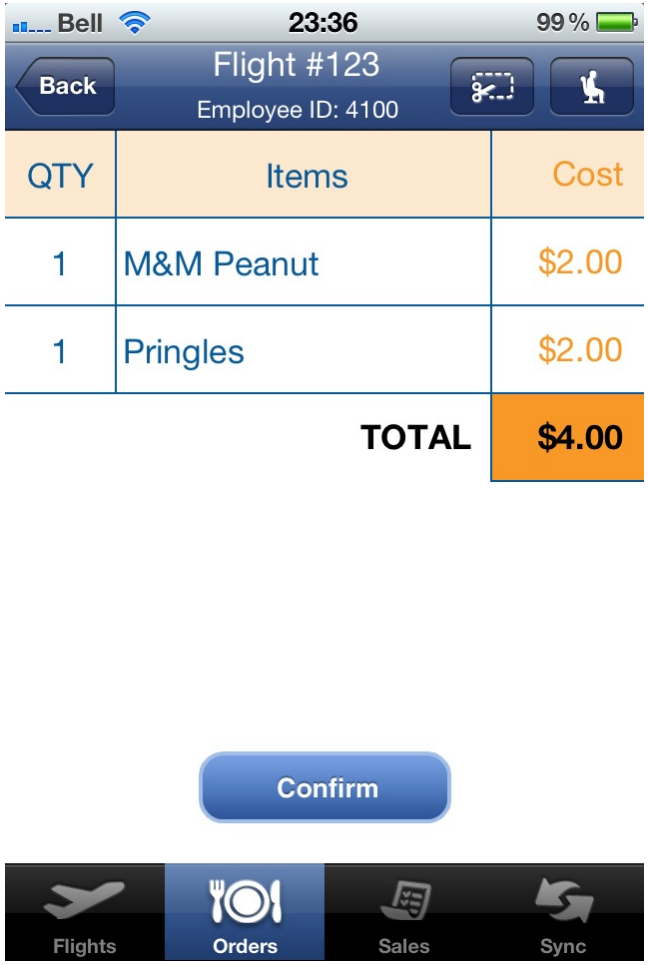
Mobile check-in





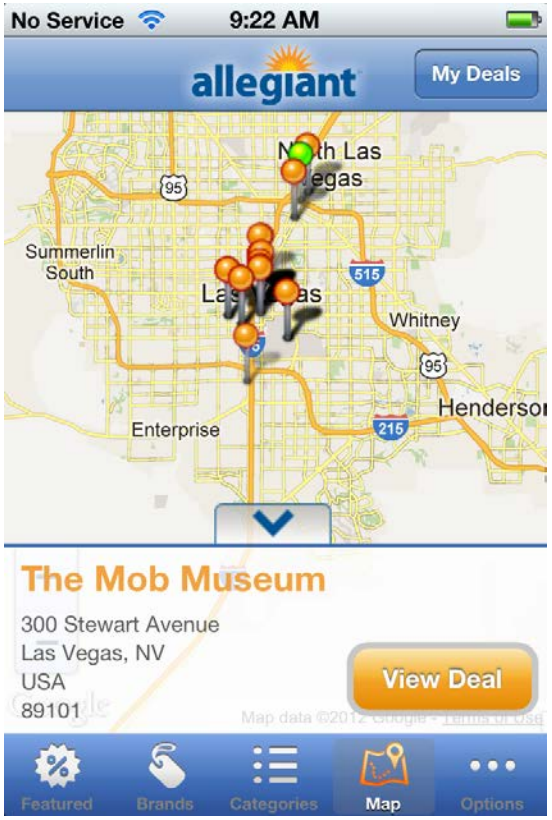
Buy on-board


Bell
23:36
99 %
Flight #123
Employee ID: 4100
Snacks
Wine
Beer
M&M Peanut
$2.00
1
Munchies
$2.00
0
Pringles
$2.00
1
Reset
Checkout
Flights
Orders
Sales
Sync


Bell
23:36
99 %
Back
Flight #123
Employee ID: 4100
QTY
Items
Cost
1
M&M Peanut
$2.00
1
Pringles
$2.00
TOTAL
$4.00
Confirm
Flights
Orders
Sales
Sync

In-market ancillary sales







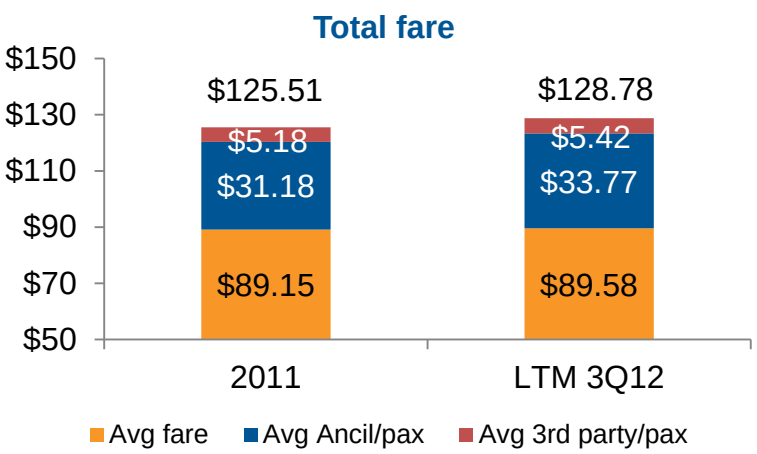
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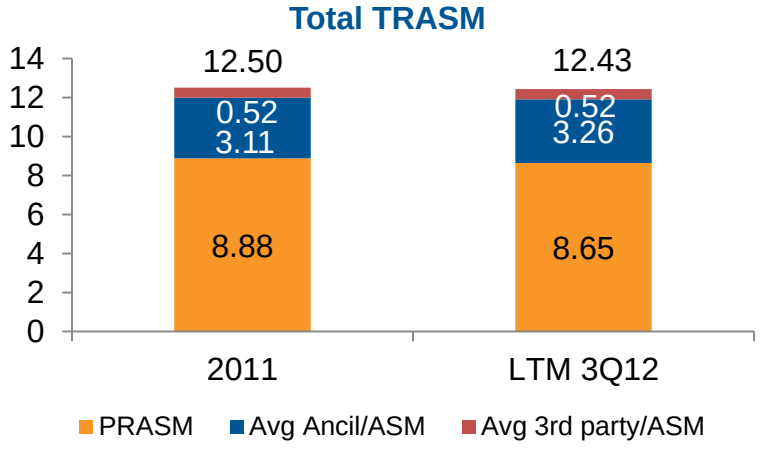
ALGT investor day

Andrew Levy - President

November 2012

Commercial 2012





- Ancillary - unbundled
- Hawaii, PGD, OAK
- Debit card discount
  - Implemented in July 2012
  - RASM up, transaction costs down
  - Debit card take rate ~ 40% 3Q12

Commercial 2013

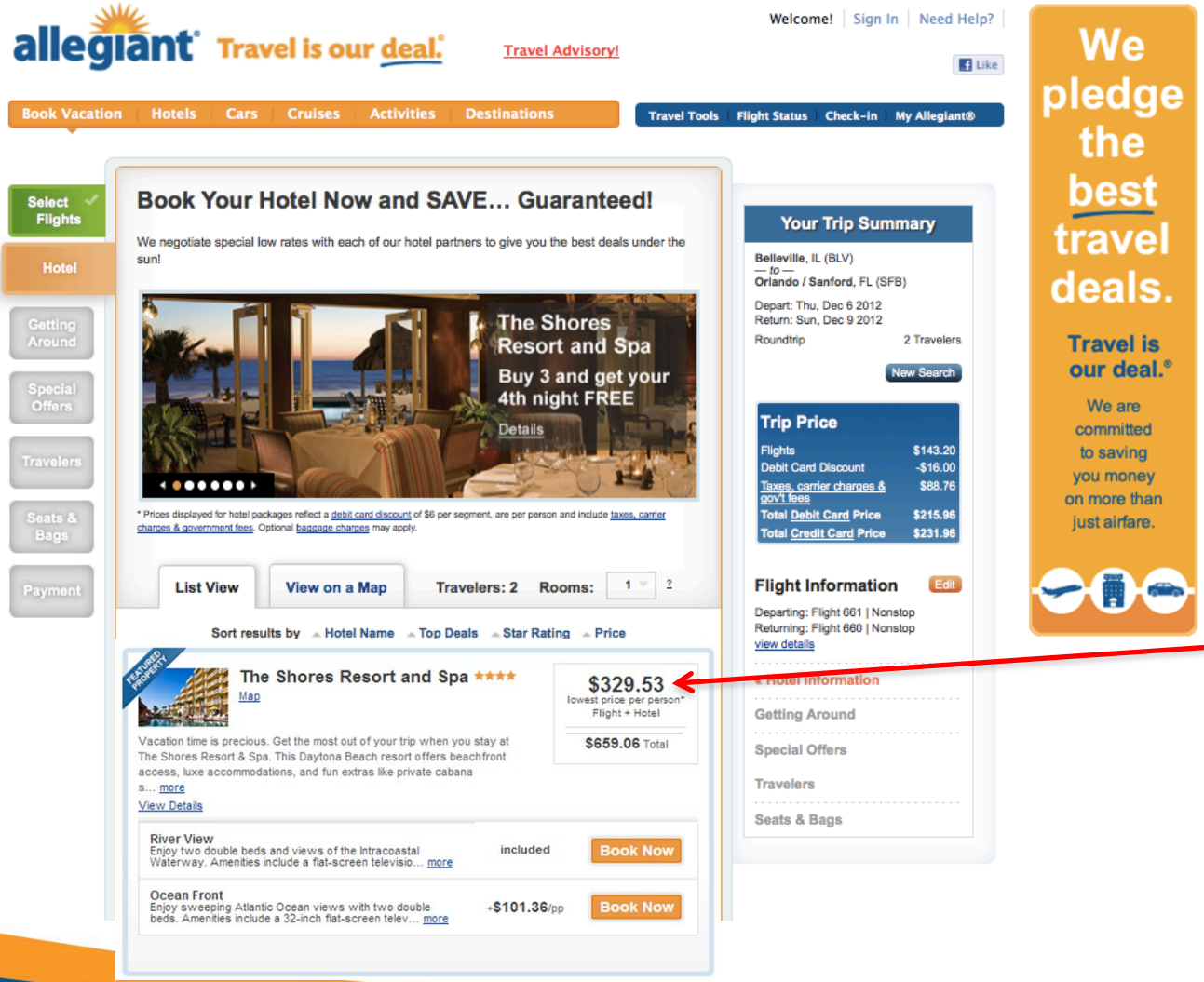
- Booking engine and new tools
- Ancillary
- Demand generation
- Mobile
- International

Booking engine

- 100% of our originating traffic
- A/B testing – holding variables constant
  - Optimize user experience, conversion, revenue, profit
- Pricing tools
  - Air – buckets
  - 3rd party – directional, city specific pricing
- Early results, good

Example A/B testing – package upsell

Example of a silo A/B test to measure impact of pricing display on hotel upsell.

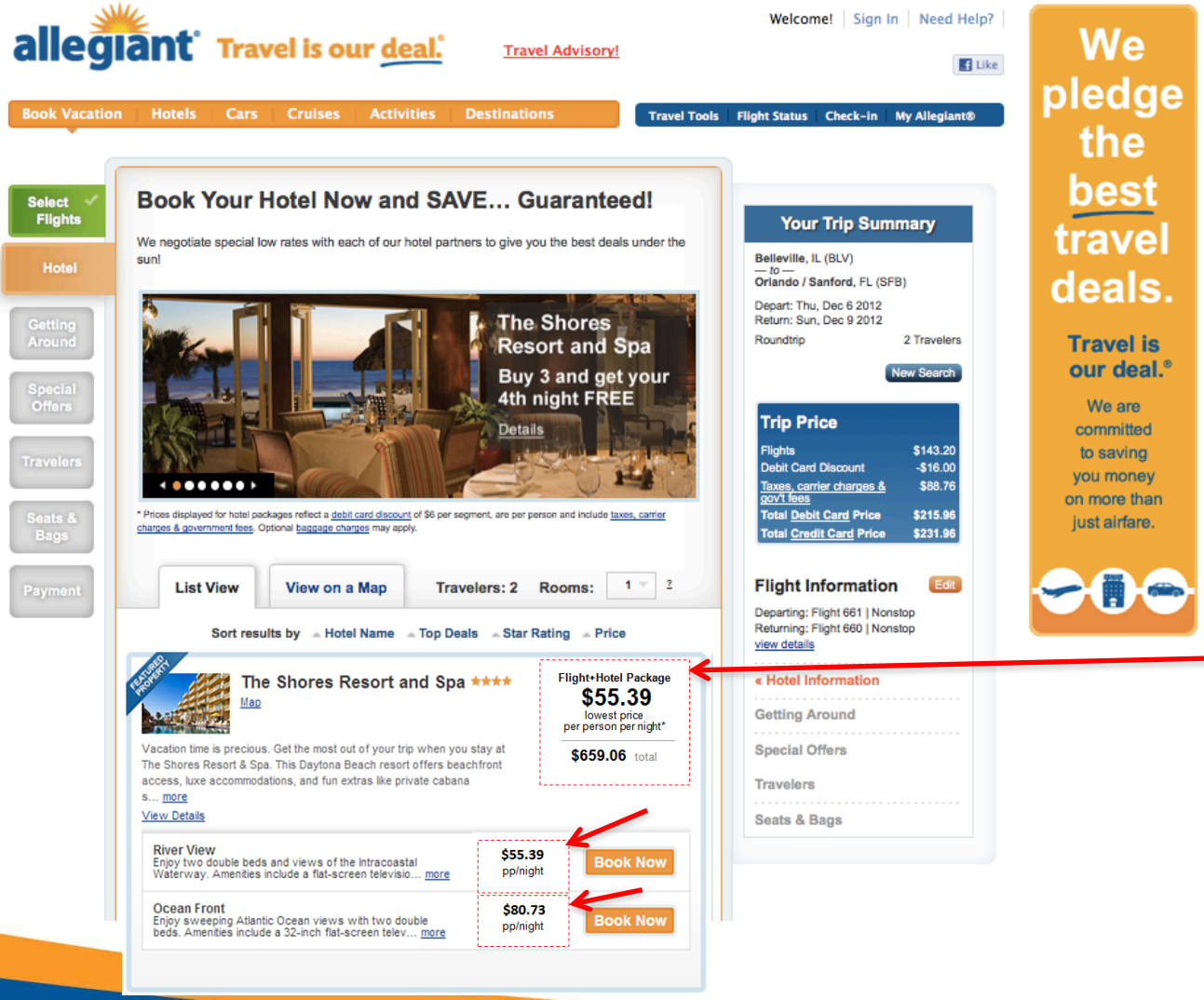


Current:
Flight + Hotel pricing expressed as total price per person

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Example A/B testing – package upsell

Example of a silo A/B test to measure impact of pricing display on hotel upsell.

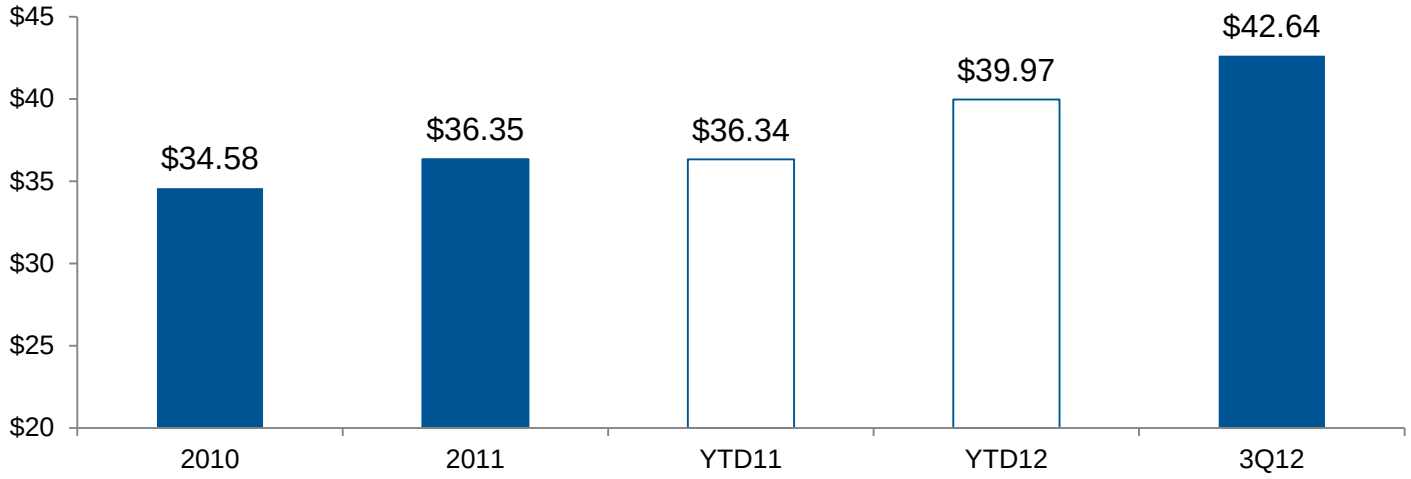


Test:
Flight + Hotel pricing expressed as a *per night* total price per person

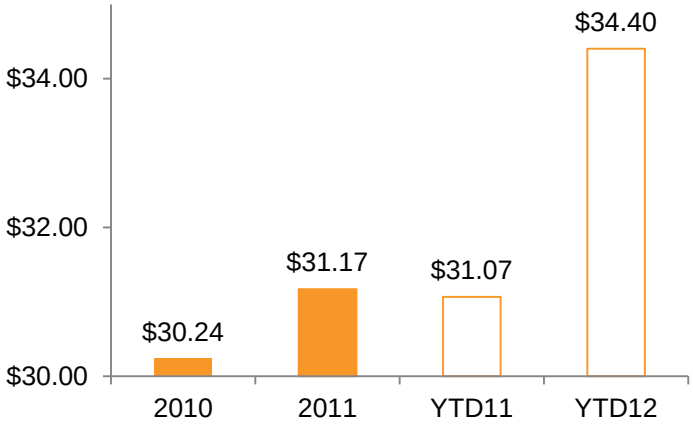
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Ancillary momentum

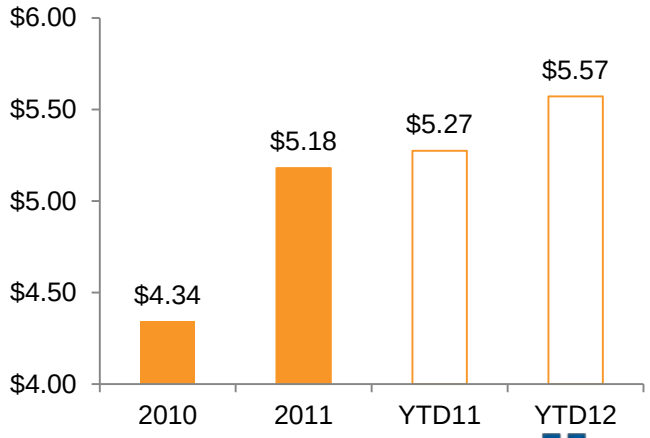
Average ancillary - total



Average fare - ancillary air-related charges



Average fare - ancillary third party products

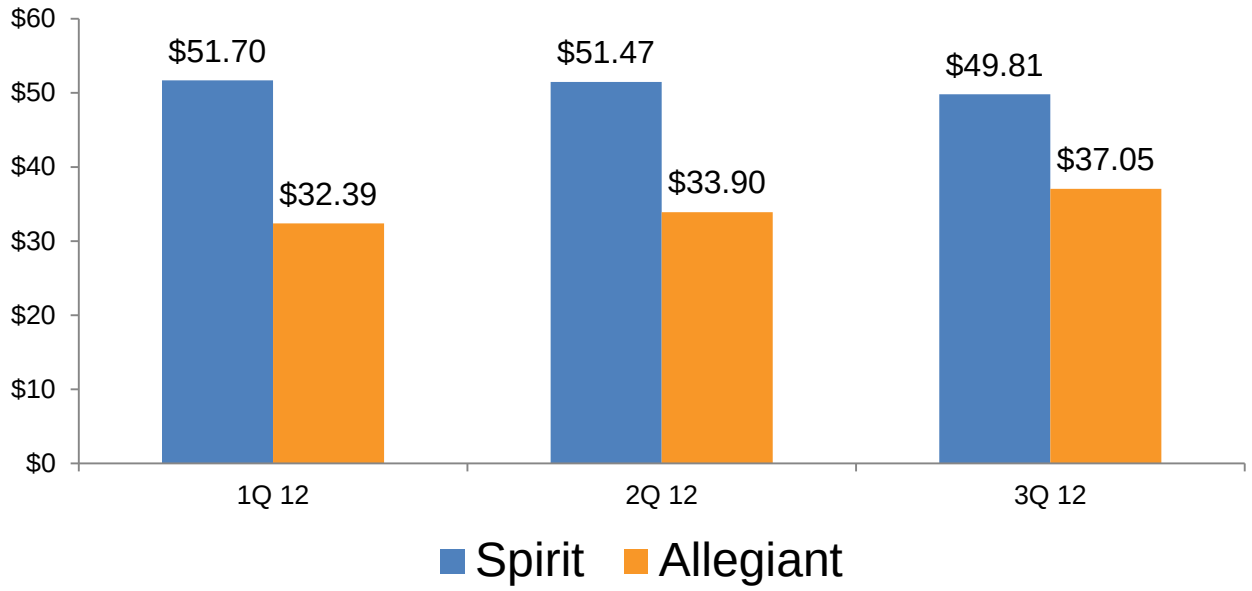


All revenue is revenue per scheduled passenger, YTD nine months ending Sept 30

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Air related ancillary - room to grow

- Spirit ancillary products
  - Travel club
  - Credit card
  - Ticket counter charge



Spirit – non ticket revenue per passenger segment
Allegiant – ancillary air revenue per passenger

Third party products

- YTD hotel net revenue +13%
- YTD transportation net revenue +35%

	% of total hotel room nights - 2012	% of total car rental days - 2012	% of total seats – 2012	% of total seats - 2013
Las Vegas	84%	8%	35%	31%
Remainder of system	16%	92%	65%	69%

- Call center
  - Transition to a sales force
  - Push packages

Hotel room nights and car rental days are YTD 2012

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Demand generation

- Marketing strategy and tactics
  - Management
  - Metrics
  - Expect ROI justified increase in spend
- Kayak – limited experiment
- Email campaigns
  - Deep linking into booking flow – conversion rate increase +200%
  - Database of email addresses, ~3m active subscribers

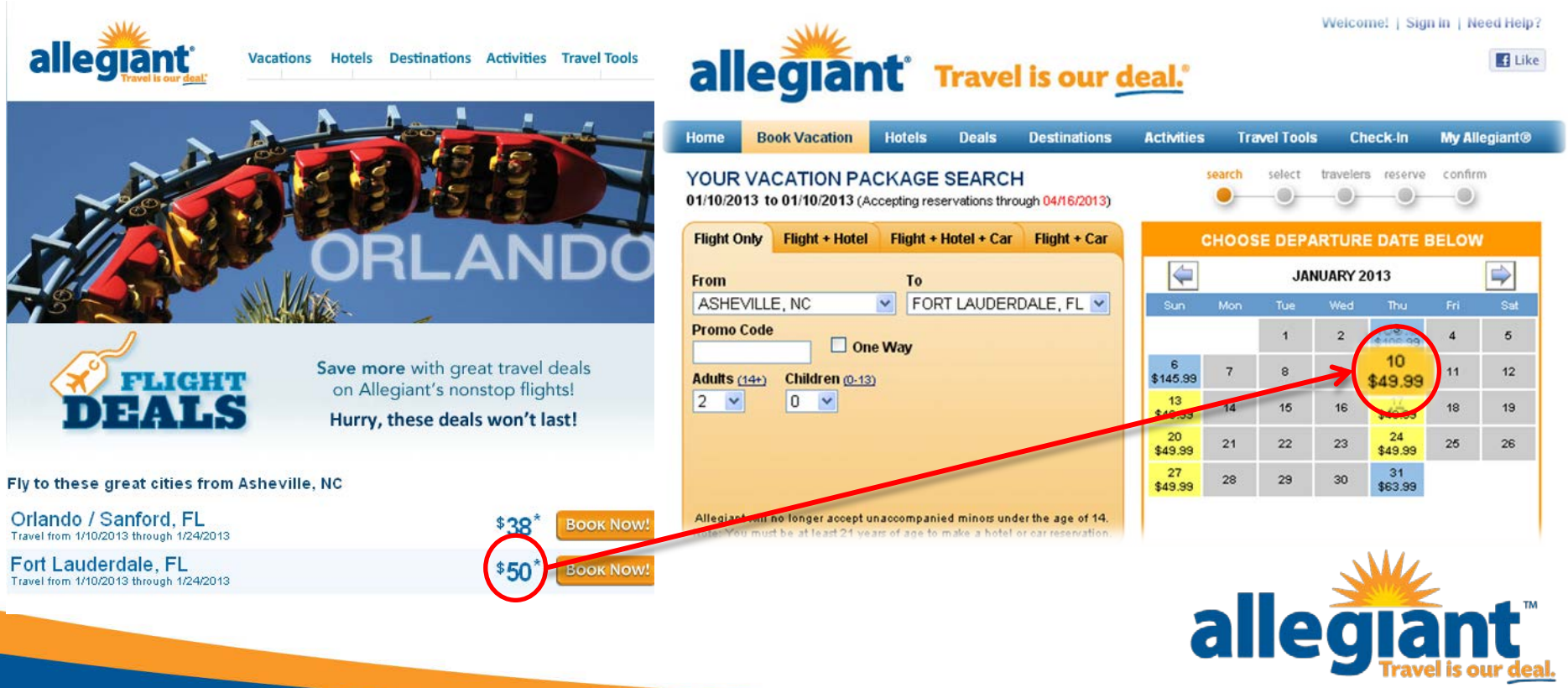
Email campaign without deep linking

- The email call to action links the customer to the website, but nothing is pre-selected. Customer must perform the whole search.
- Many clicks and a large time investment are required to discover the advertised price point.



Email campaign featuring deep linking

- Email with relevant price point for the customer's market
  - The call to action links the customer deeper into the website.
  - The clicked route and travel dates are pre-selected.
  - The price advertised in the email is highlighted and easily discovered.



Mobile

- Deals app, only in Las Vegas now, other locations coming
- Check in
- Full product
- Buy on board
- Stations

International

- Late 2013 / early 2014
- Small cities to Las Vegas / Orlando
- Destination markets – Cancun
- Automation - payment, taxes
- Bilingual capabilities - website, call center, inflight & stations
- Regulatory
- A319

Guidance recap

Item	Guidance
2013 Scheduled ASMs - YoY	+15 to 20%
2013 CASM ex fuel - YoY	(6%) – (1)%
2013 CAPEX	$150m to $160m
2013 Aircraft rent	$4m to $6m
2013 AC depreciation/AC/mo	$70k to $72k
2013 Maintenance/AC/mo	$100k to $110k