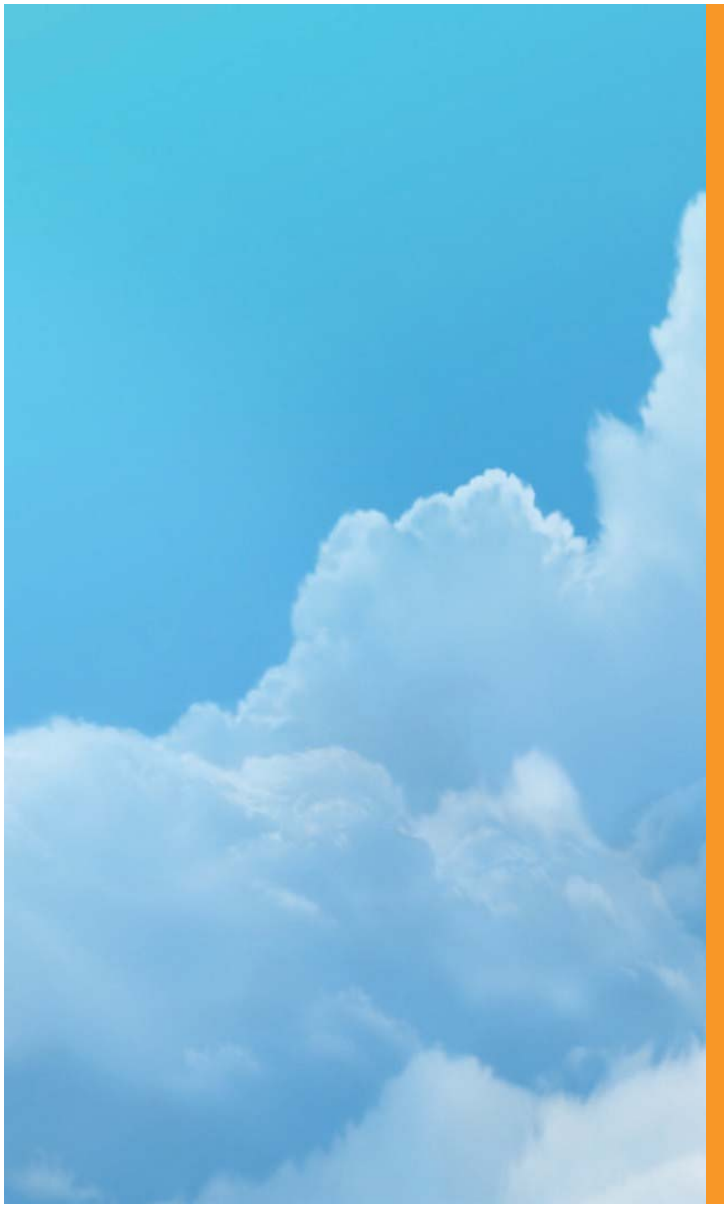


Investor day

November 2017

allegiant

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.

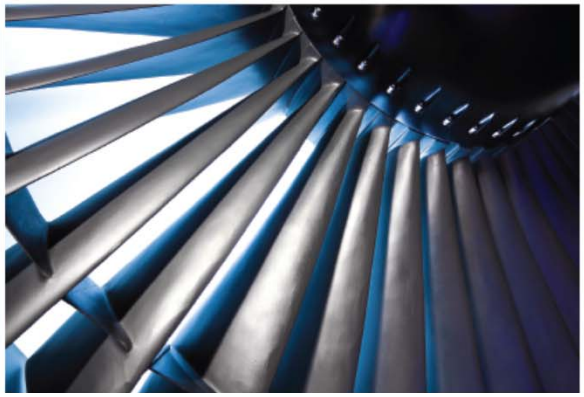


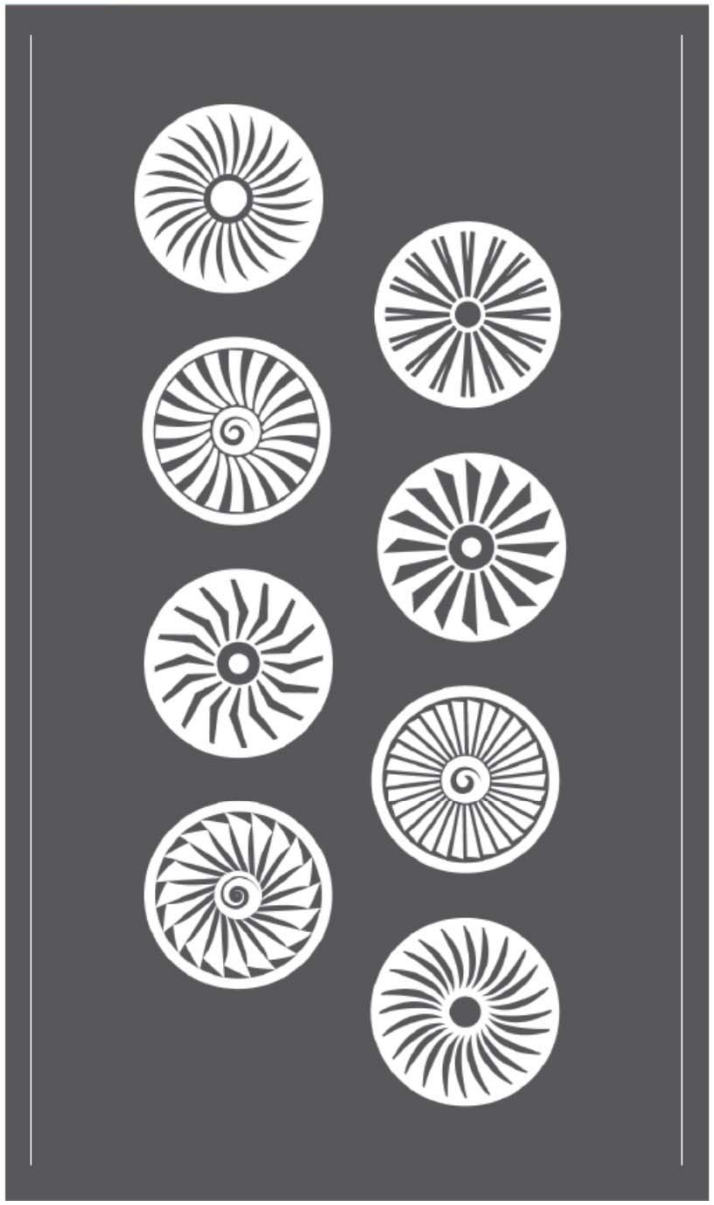
Opening comments

- Busy year – transition year
  - Management
  - Operations
  - Fleet
  - Sunseeker
- People
- Strategic business overview – leisure travel company
  - Competition – model still strong – airline is job 1, but . . .
  - Want more $ from current customer wallets
  - Need to expand product offerings – greater customer control
- Leverage our position through use of data, IT, and branding









SUNSEEKER

RESORT

Charlotte Harbor

BACKGROUND.
Allegiant Airlines, the parent company of Sunseeker Resort, is focused on linking travelers in small cities to world-class leisure destinations.

THE MARK.
a literal and metaphorical powerhouse representing both the plane engine and the sun in one

Sunseeker Resort showcases a mark that pays *allegiance* to its parent company, and the experience of its past, yet represents a forward-focused mission and a symbolic source of energy for the future.

Addressing the skepticism

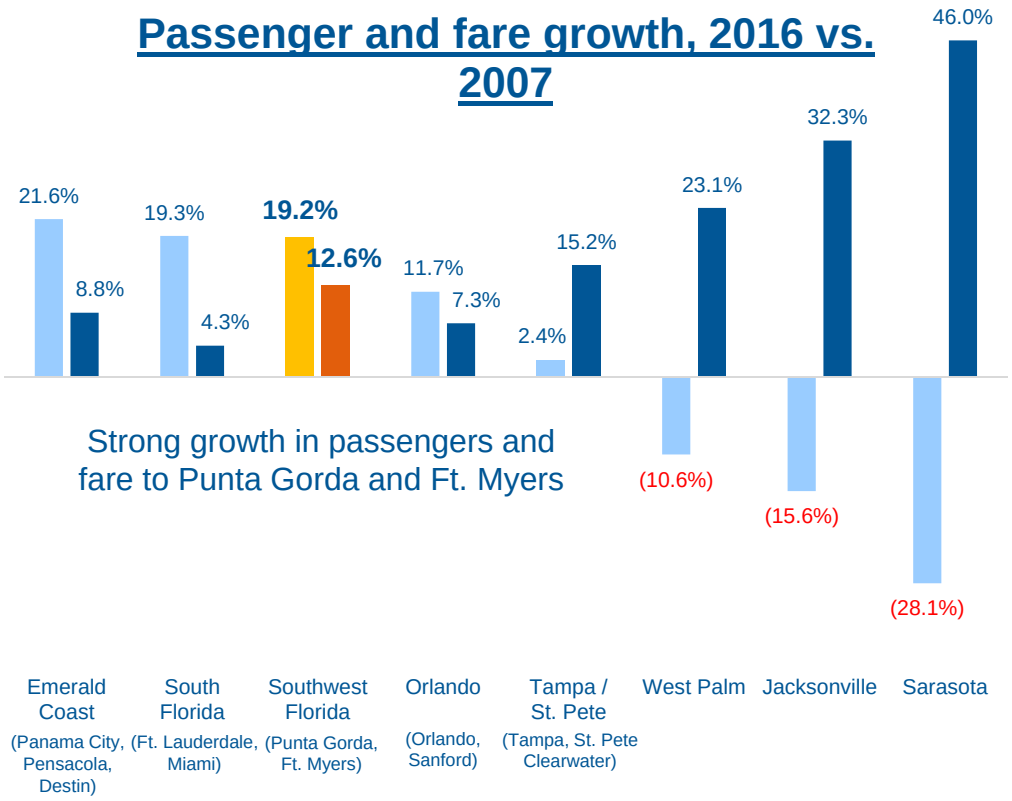
Issue	How we have addressed
G4 – no experience in hotels or condos	Hired world class leadership/developers
Port Charlotte – not Miami or New York	• Hotel room growth has lagged air travel • Opposite of Panama City • Does Miami need another resort? • Example of new destinations
Mixed-use projects – hard to finance	• Hotel is easier • Condo hotel is a de-risked approach
Virtual sales model	Does it work versus more traditional sales

“This is the most exciting hotel resort opportunity I have come across, especially with the airline tie-in” – John Redmond

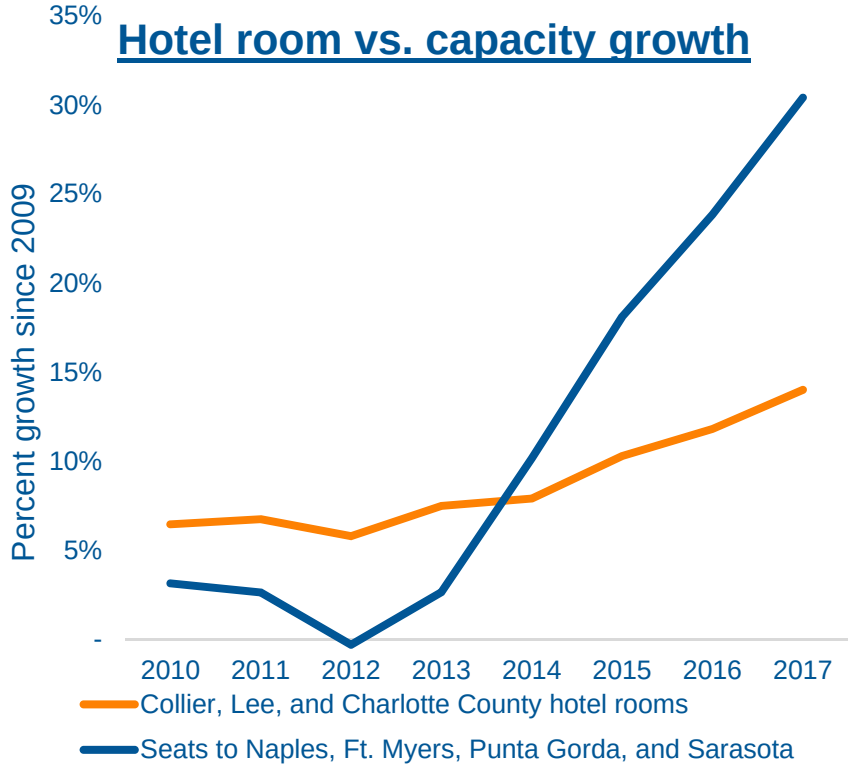
- With the exception of Clearwater, most hotels in area are old
- Lack of a true destination resort
- Hotel room growth has not kept pace with air and drive-in traffic increases
- Identified other opportunities – “I like this one”
- Port Charlotte site fully entitled on waterfront
- Airport traffic – 10 million annual pax to area
- Insurmountable barrier to entry
- Lack of food and beverage and amenity diversity
    - More diversity in F&B and amenities means:
        - Increased demand
        - Longer length of stay/more time at resort
- Large, diverse destination gives us “street cred” to manage any resort
- 90% of vacation spend not captured
- Opportunity flexibility: extremely valuable, fully entitled, designed and approved project – highly desired
- Partnerships – could be explored if plans change

Florida traffic

Passenger and fare growth, 2016 vs. 2007

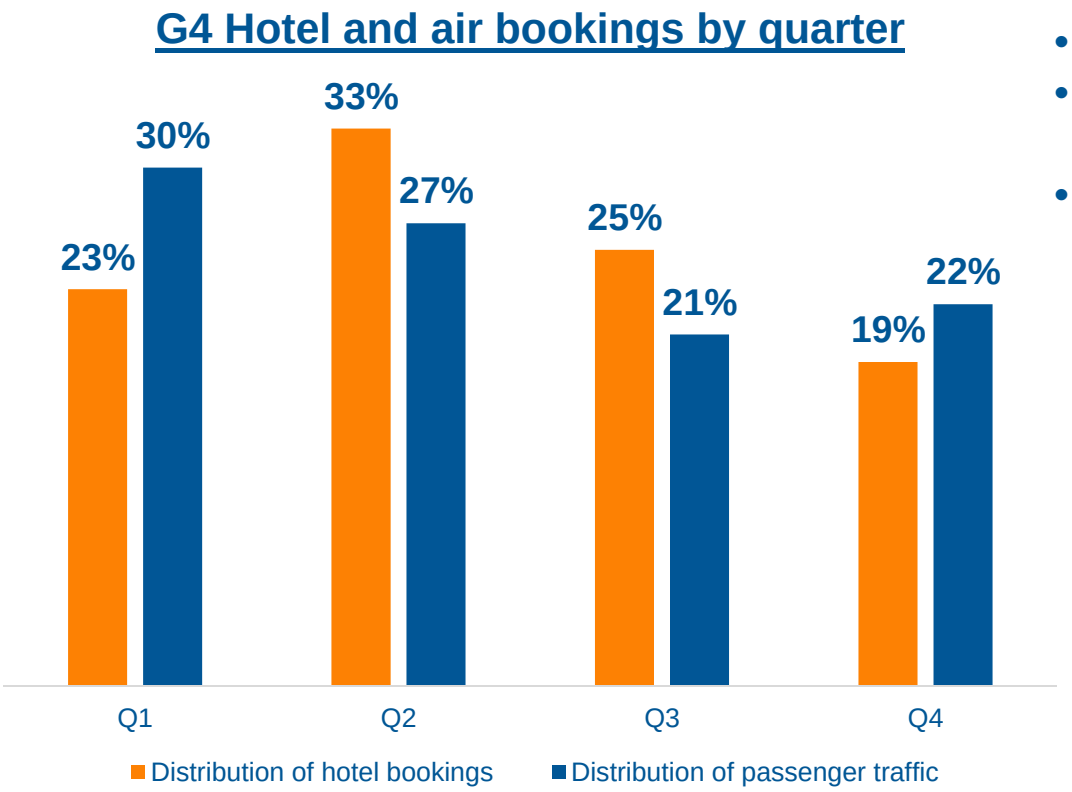


Hotel room vs. capacity growth



Source: US DOT O&D Survey, Florida Department of Business & Professional Regulation

Hotel demand



- Sunseeker = additional ancillary hotel $
- Las Vegas demand level exceeds current Punta Gorda capacity
- Four Points by Sheraton, Punta Gorda: $200 ADR in peak season

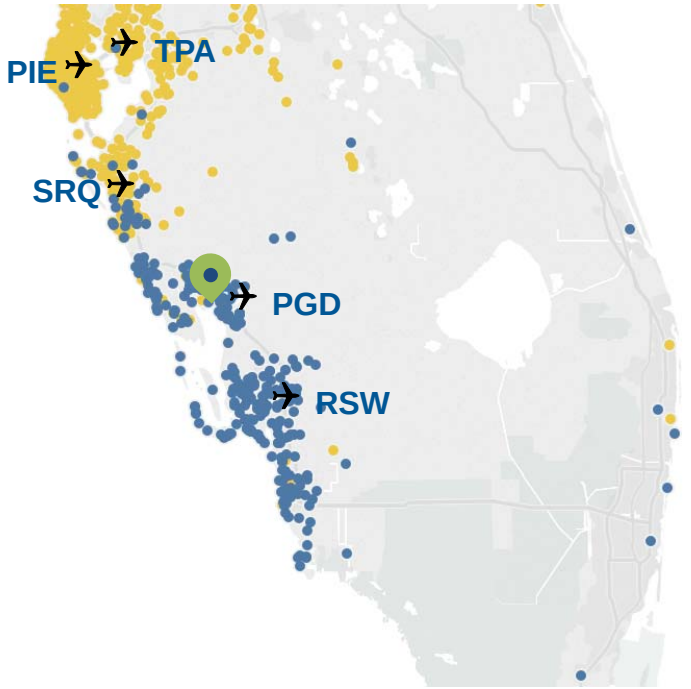
Potential take rates

Condo Hotel	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Number of Developed Rooms	583	583	583	583	583	583
% of Rooms Put Into The Inventory Pool	75%	75%	75%	75%	75%	75%
Number of Available Rooms	160,000	160,000	160,000	160,000	160,000	160,000
Occupancy %	100%	100%	100%	100%	100%	100%
Condo Hotel Occupied Room Nights	**160,000**	**160,000**	**160,000**	**160,000**	**160,000**	**160,000**
Hotel						
Number of Available Rooms	76	76	76	76	76	76
Occupancy %	100%	100%	100%	100%	100%	100%
Number of Occupied Rooms	**28,000**	**28,000**	**28,000**	**28,000**	**28,000**	**28,000**
Total Occupied Hotel and Condo Hotel Rms	**188,000**	**188,000**	**188,000**	**188,000**	**188,000**	**188,000**
Airline Data						
Number of Itineraries	283,000	285,800	288,700	291,600	294,500	297,400
Take Rate	10%	11%	12%	13%	14%	15%
Number of Room Sales Transactions	28,300	31,400	34,600	37,900	41,200	44,600
Average Length of Stay (Num of Nights)	5.6	5.6	5.6	5.6	5.6	5.6
Potential Number of Room Nights	**158,480**	**175,840**	**193,760**	**212,240**	**230,720**	**249,760**
Occupancy	**84%**	**94%**	**103%**	**113%**	**123%**	**133%**

Destination demand

- Punta Gorda geocode check-in data - wide catchment area
- Significant drive-in market

Airport	Allegiant destination	Distance from resort	Annual passengers	Airlines
PGD Punta Gorda	✓	15 minutes south	• 2017: G4 flew 1 million • 2018: 1.2 million projected	
RSW Ft. Myers		35 minutes south	8 million	AAL, DAL, UAL, LUV, JBLU, FRNT, SAVE
SRQ Sarasota		45 minutes north	1 million	AAL, DAL, UAL, JBLU
PIE St. Pete—Clearwater	✓	90 minutes north	• 2017: G4 flew 1.8 million • 2018: 2.2 million projected	
TPA Tampa		90 minutes north	18 million	AAL, DAL, UAL, LUV, JBLU, FRNT, SAVE



Map source: check-in data for August 2017

Sunseeker video

Construction and development team

Paul Steelman
Steelman Partners, Concept Architect

Ben Mammina
Executive Vice President, Design and Construction

L2 Studios
Architects, Production Drawings

Florida Premier Contractors & Manhattan Construction Group
GC Joint Venture

Farr Law Firm
Local counsel

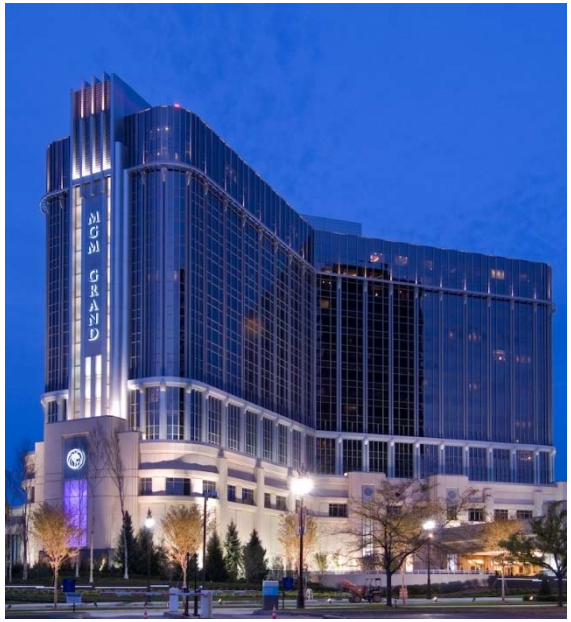
Greenberg Traurig
Condo counsel

Future hires:
Food & beverage expert
Hotel expert





Galaxy Phase II – Macau



MGM Grand – Detroit

allegiant

Site overview

- Resort planned to include:
  - 10 condo towers dependent on deposits
  - 76 hotel rooms - additional 196 expansion rooms
  - 100+ marina slips
  - Resort and hotel pools
  - 12+ bars, restaurants, and shops
  - Catering/banquet facilities
  - Grocery/pharmacy, doctor's office
- More facilities – need more land
- Expected return on capital similar to airline
- Multiple approaches to develop given 10 separate towers
- Ideal approach $425 to $450M:
  - Sunseeker hotel assets
  - 4 waterfront condo hotel towers
  - Sitework/infrastructure for remaining project including pool


Charlotte Harbor
Service Building
Church St
Main St
Fairnam St
Scenic Ave
Resort Pool
Parking Garage
Resort Pool
Tiki Bar
Restaurants
Sign
Additional Parking
Hotel / Mixed Use
Event Deck
Restaurant / Retail Mixed Use
Public Art
Platform
Restaurant / Retail Mixed Use
Bridge / Sign
Restaurant / Retail Mixed Use
Marina
Marina


Charlotte Harbor
Service Building
Church St
Main St
Farnam St
Scenic Ave
Resort Pool
Parking Garage
Resort Pool
Tiki Bar
Restaurants
Sign
Additional Parking
Hotel / Mixed Use
Event Deck
Restaurant / Retail Mixed Use
Public Art
Platform
Restaurant / Retail Mixed Use
Bridge / Sign
Restaurant / Retail Mixed Use
Marina
Marina

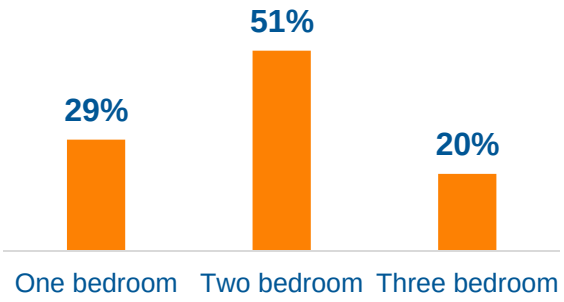
Project financing

- Florida law
  - Sales deposits can be used for construction costs
  - Plan: use 20% of the 30% deposits
- De-risking sales: multi-step approach
  - Started with expression of interest – currently at about 7,000
  - Now on registration phase, taking $5K deposits
  - Deposit plan: up to 30% by end of first year
- De-risking design
  - Multiple towers/phases
  - Allows for building as demand warrants (as hotel or condo towers)

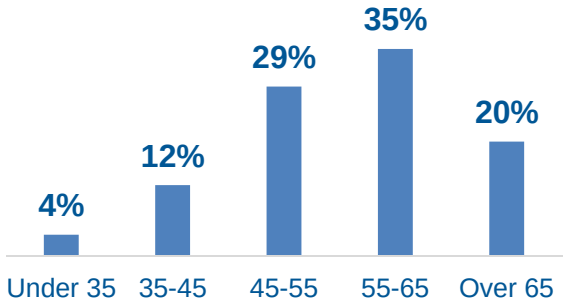
Condominium sales

- Expect to begin to enter into purchase agreements in late Q1 2018
- Proceeds of sales of all units expected to be more than the total cost of construction
- Utilization of Allegiant database to understand project viability
  - Frequency of visitation, demographics, points of origination
  - Product type (1, 2, or 3 bedroom) and primary vs. secondary residence
- On-site or in-area sales tactics

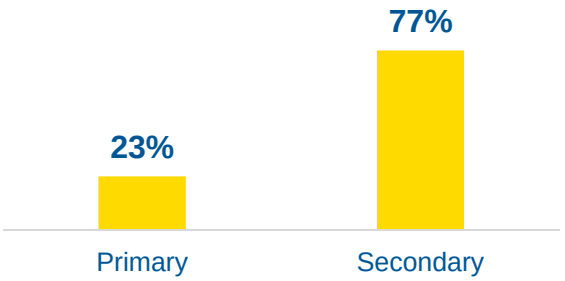
Unit type interest



Age of respondents



Residence type

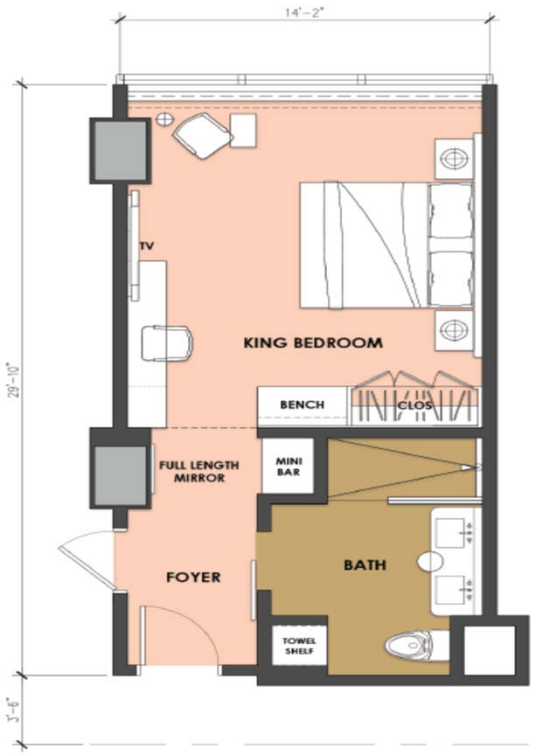


Hotel scope

- Large scale = greater operational efficiency
  - Variety of rooms and price points to drive occupancy
  - Food/beverage options will drive daily non-stay visitation
- Synergy with airline
  - Potential impact on load factor/seasonality
    - Concentration of amenities
    - Target larger groups and business customers
  - Marketing as destination resort protects fares; mitigates risk of fare war
  - Drives credit card use - additional point redemption channel
  - Tie-in to charter business

Hotel and condo-hotel demand

- Maximum annual available room nights:
  - 272 hotel rooms for 99,280 room nights
  - 835 condo units for 466,105 room nights (if all two bedrooms rented as two units)
  - Over 1,500 keys
- Revenue split dependent on nights made available, time of year, and advance notice
  - 55% of $ expected average for Allegiant



Typical King and Queen Rooms

14’2” bay, 425 SF

Food and beverage opportunities

- 12+ bars and restaurants
- Wide variety
- All on waterfront
- Average stay 5-6 days
- Synergy between venues
  - Shared kitchen/staff
  - Decreases overhead costs



Artist's rendering

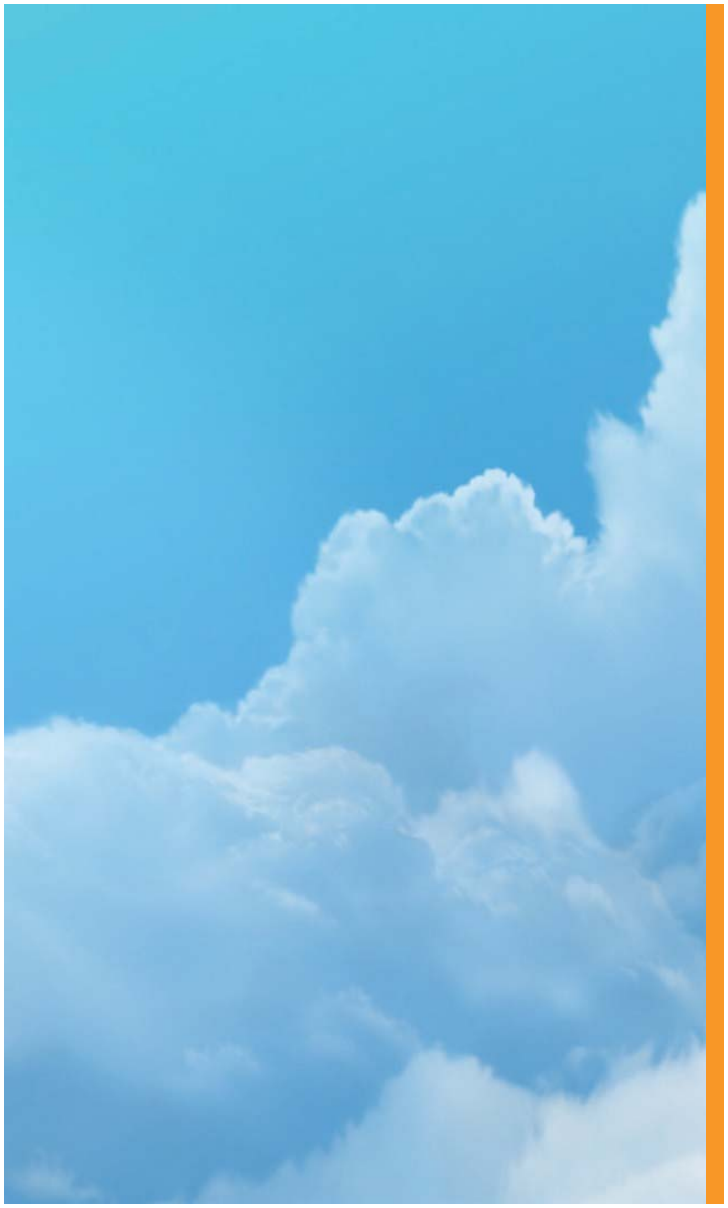
Additional ancillary revenue



- Marina slips
- Parking
- HOA fees cover share of hotel amenities cost
- Banquet hall/catering for weddings, corporate functions
- Early check-in charge
- Airport shuttle
- Cleaning service
- Short term car rental
- Compare resort offerings to hotel brands such as Four Seasons, Hilton, and Holiday Inn

Estimated timeline

- **November 2017**: asked for expressions of interest – almost 7,000
- **End of 2017**: all required land transactions closed
- **Late Q1 2018**: expect to enter into purchase agreements
- **Late Q2 2018**: expect construction of resort to start
- **December 2019**: construction completed, unit closings begin/end
- **January 2020**: resort open to hotel guests



Operations

Operations – Where to focus first?

Day 1

- Summer operations = priority #1
- Controllable cancellations had increased 26% YOY through 2Q17
- Cancellation drivers = increased AOS AC + increased AOS Hours

Mid August - November

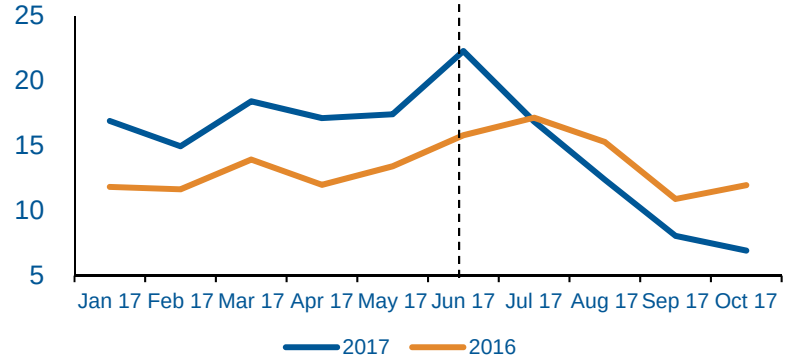
- Leadership – substantial changes in most workgroups
- Materials planning & support – proactive vs reactive
- Enhanced parts/tooling coverage – less reliance on spare aircraft

Fleet Transition

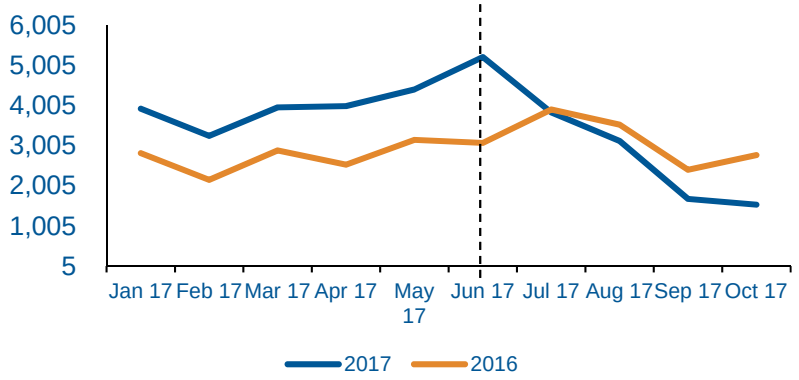
- 37 retirements, 30 inductions by Nov 18
- Single mixed AC base by summer 18, improved operational performance
- Introduce first 186 seat (max pax) A320 into the fleet

Operations – Day 1

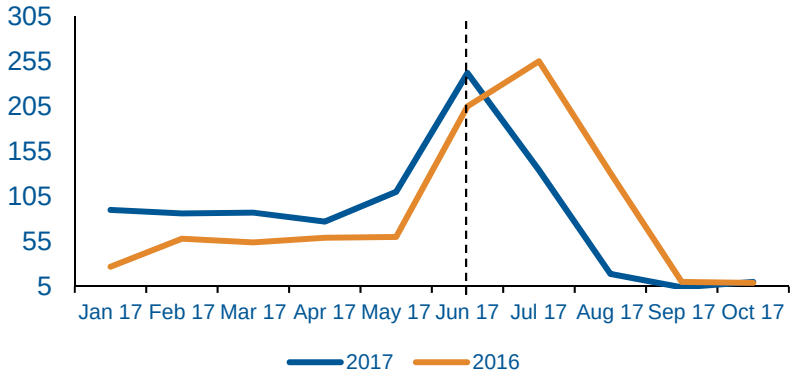
Avg Daily AC AOS



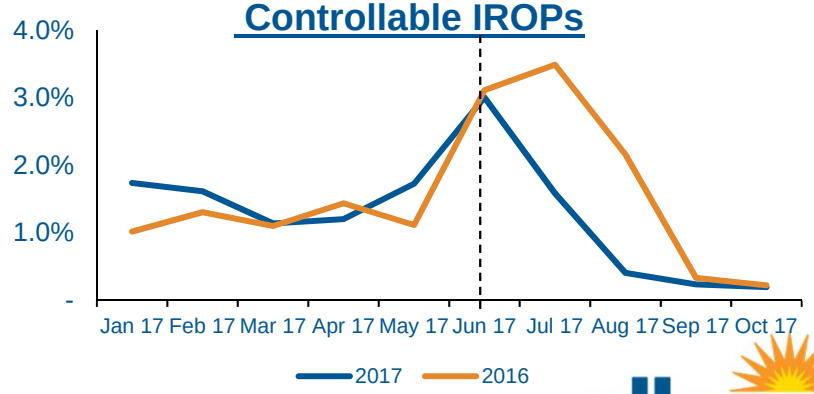
Total AOS Hours



Controllable Cancellations

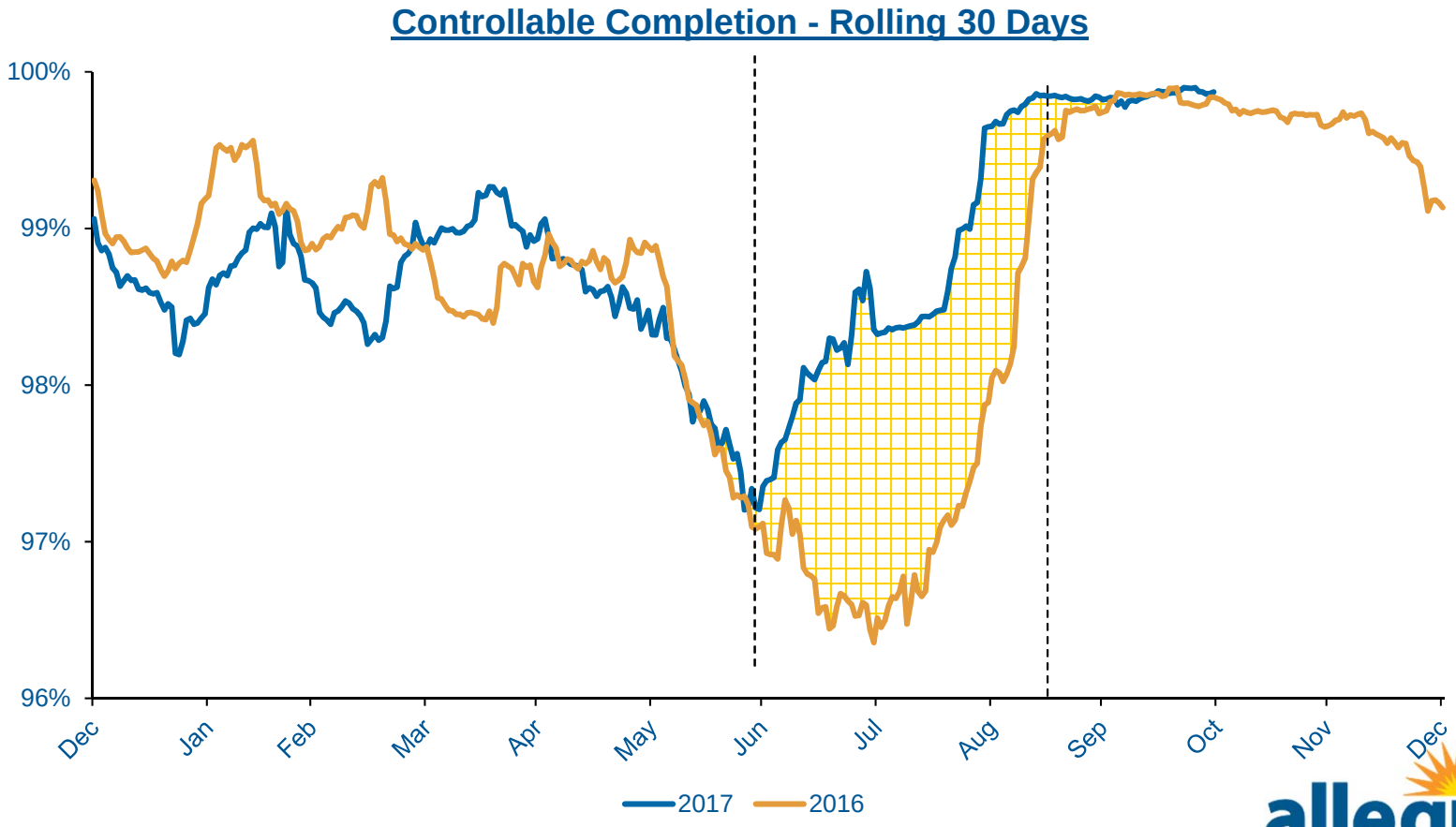


% of Customers Impacted by Controllable IROPs



*Through 10/31/2017

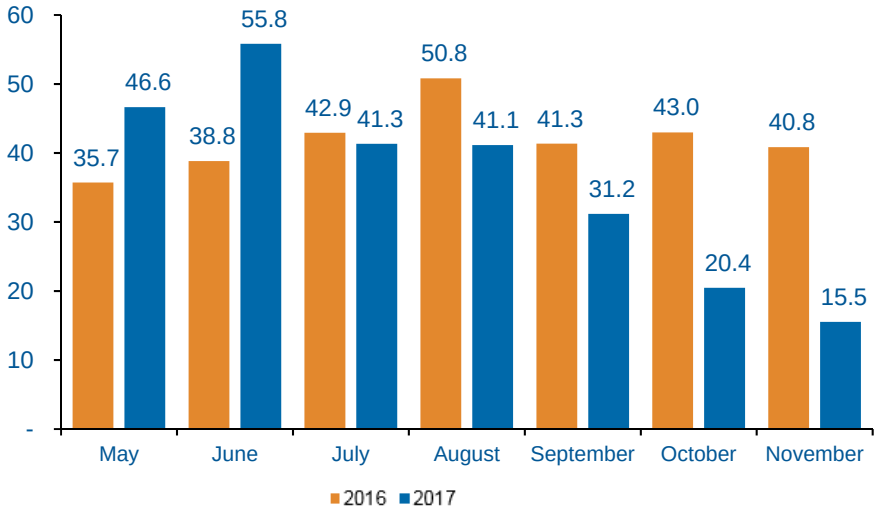
Completion factor - attacking the critical issue



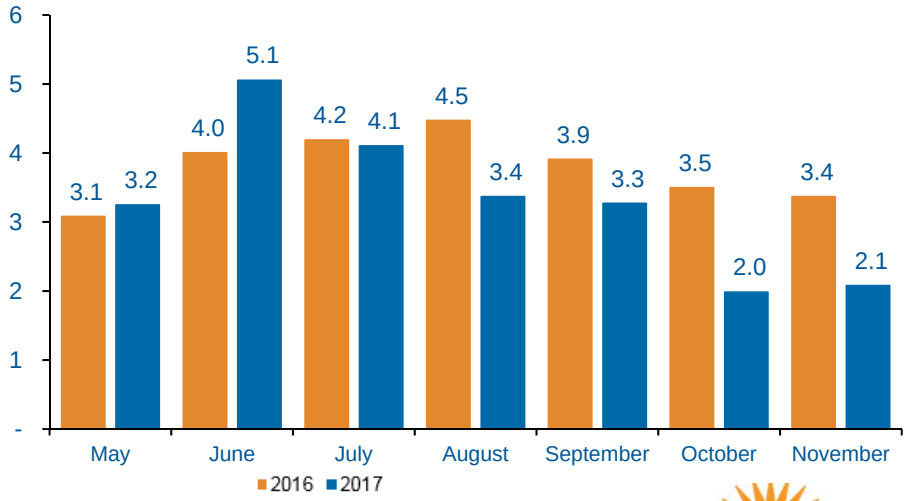
Focus on critical issues

- Change the line MX culture
  - New leadership in most large bases (SFB, LAS, PIE)
  - Eliminated line maintenance contractors
  - Delayed training events during summer peak – more techs on the line
- Dedicated AOS recovery team
- Additional Airbus reps in MX control

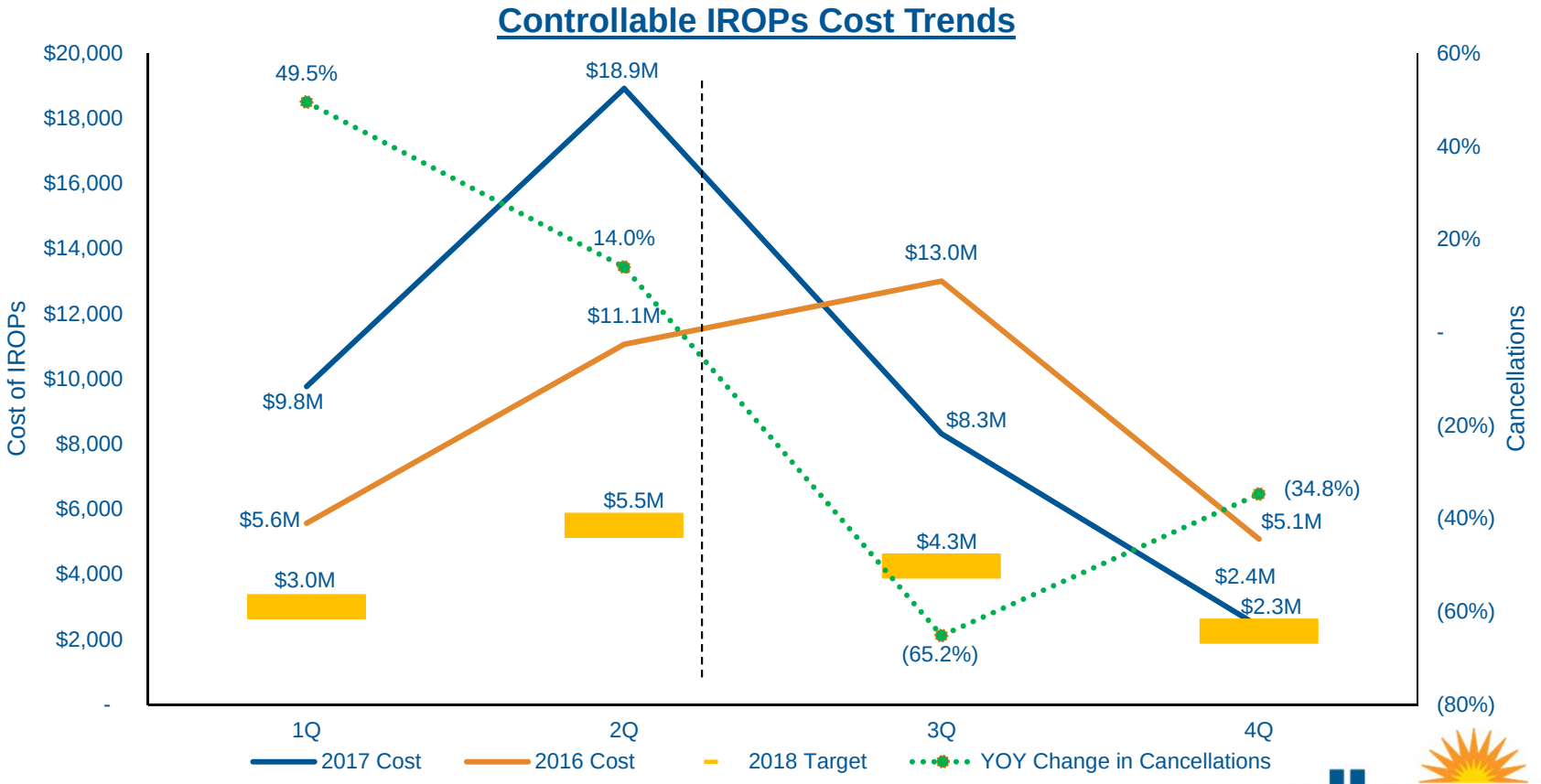
AOS hours per-100 cycles (2017 operations)



AOS events per-100 cycles (2017 operations)



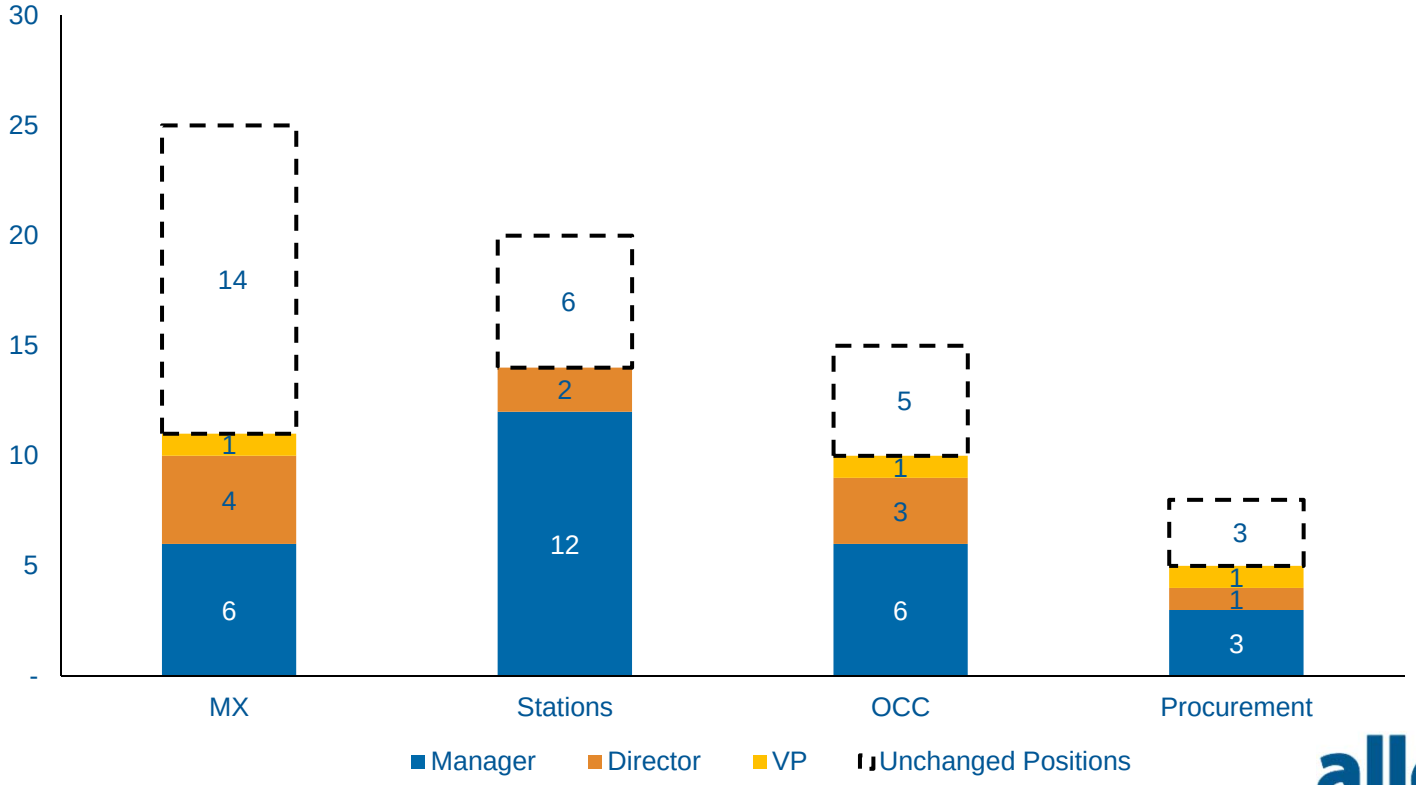
Reduction in IROP costs – aggressive but achievable



*November and December projected

Post summer – aggressive management restructuring

- ~65% of management changed/realigned in Maintenance, Stations, OCC, and Procurement departments

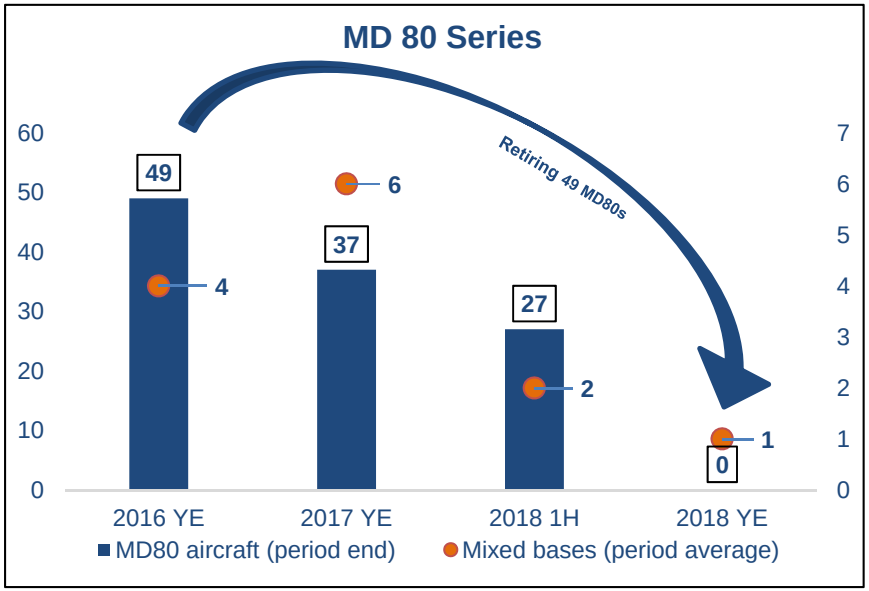


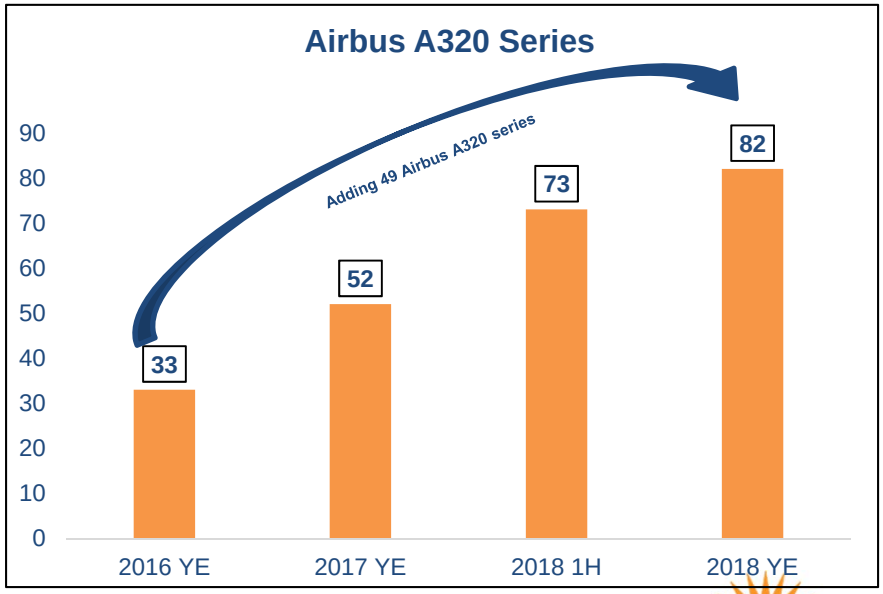
Materials planning – getting in front of the issue

- Previous approach = reactive and disjointed
  - Little to no predictive analysis
  - Modeling failed to keep up with ALGT fleet growth and complexity
- Change in philosophy
  - Turn unscheduled MX events into shorter, planned events
  - Reduced AC sparing requires increased dispatch reliability
- New Approach = predictive and proactive
  - Get ahead of the issue (huge cost savings) rather than mitigate the damage
  - Detailed analytics on component degradation
  - Strategic investment in parts for airbus specific (critical or potentially critical)
  - Enhance parts coverage, turn cancellations into delays and eventually into on-time departures

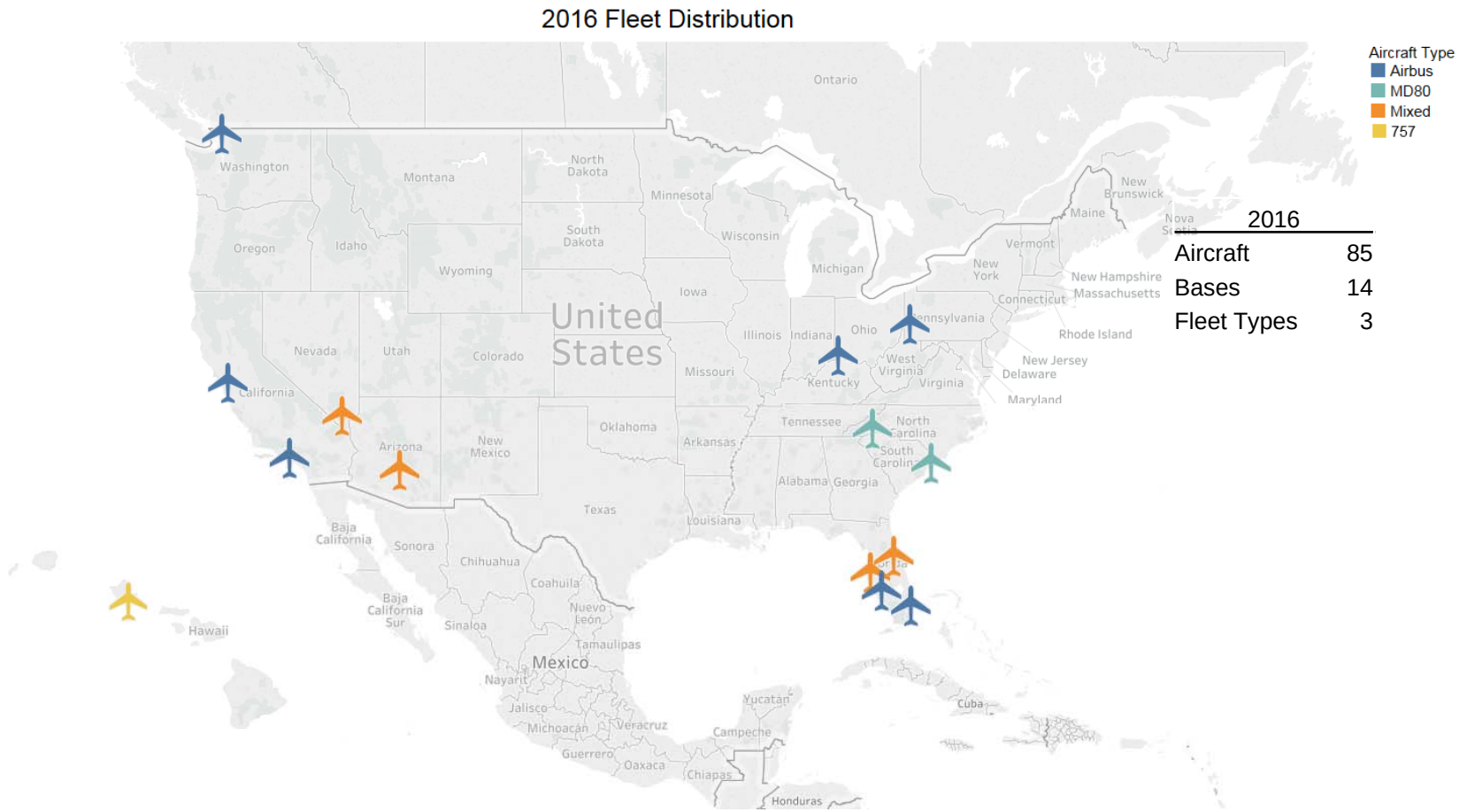
Fleet transition – solid execution, the end in sight

- Unprecedented fleet transition in less than 2 years
- Single mixed base by summer 2018 – SFB
- Enhanced induction work scope – 1st max pax A320 1Q18, drives complexity
- AC sparing levels – potentially impacted by AC damage, unscheduled power plant removals, etc.

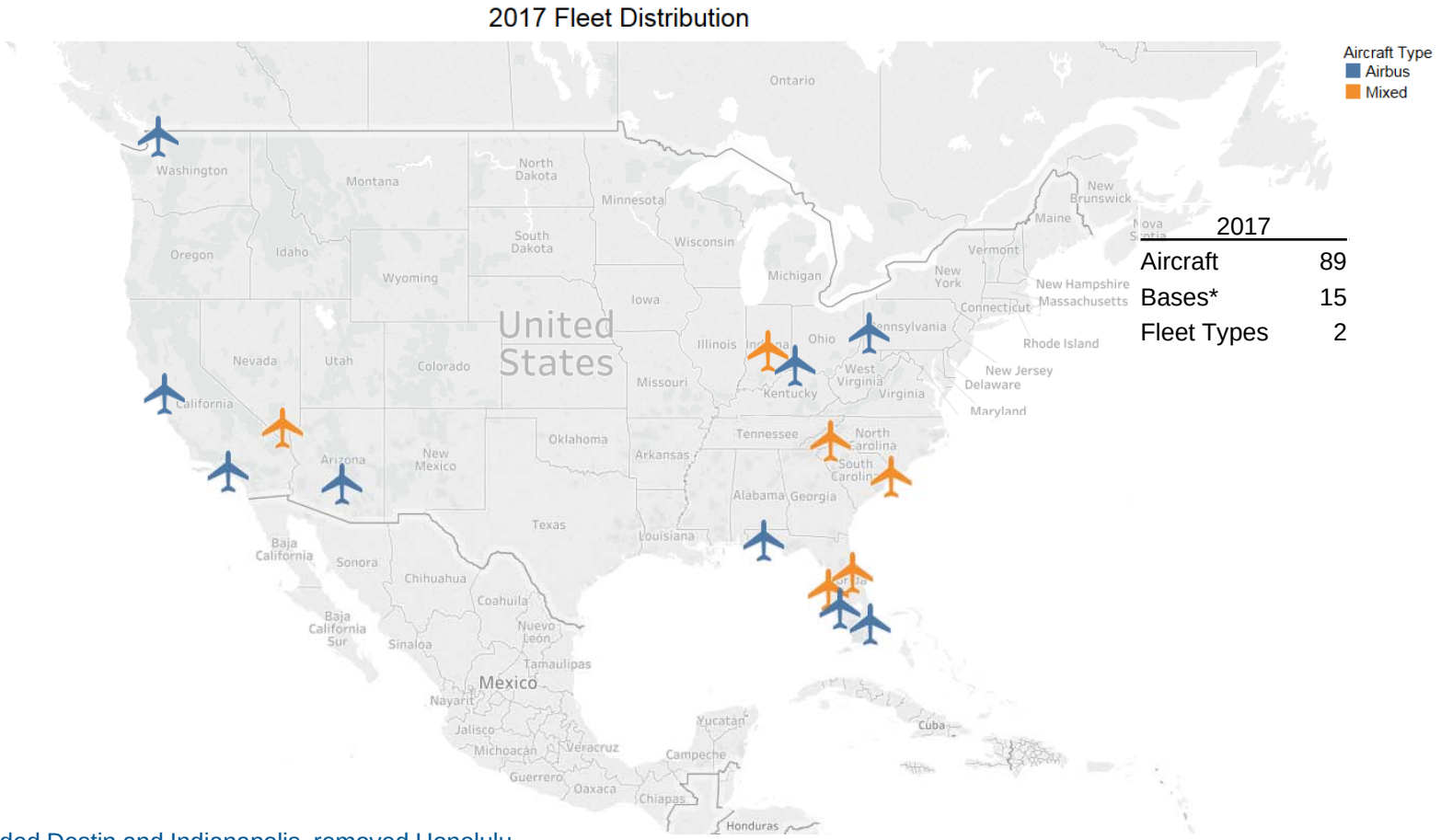




2016 Fleet deployment – peak complexity

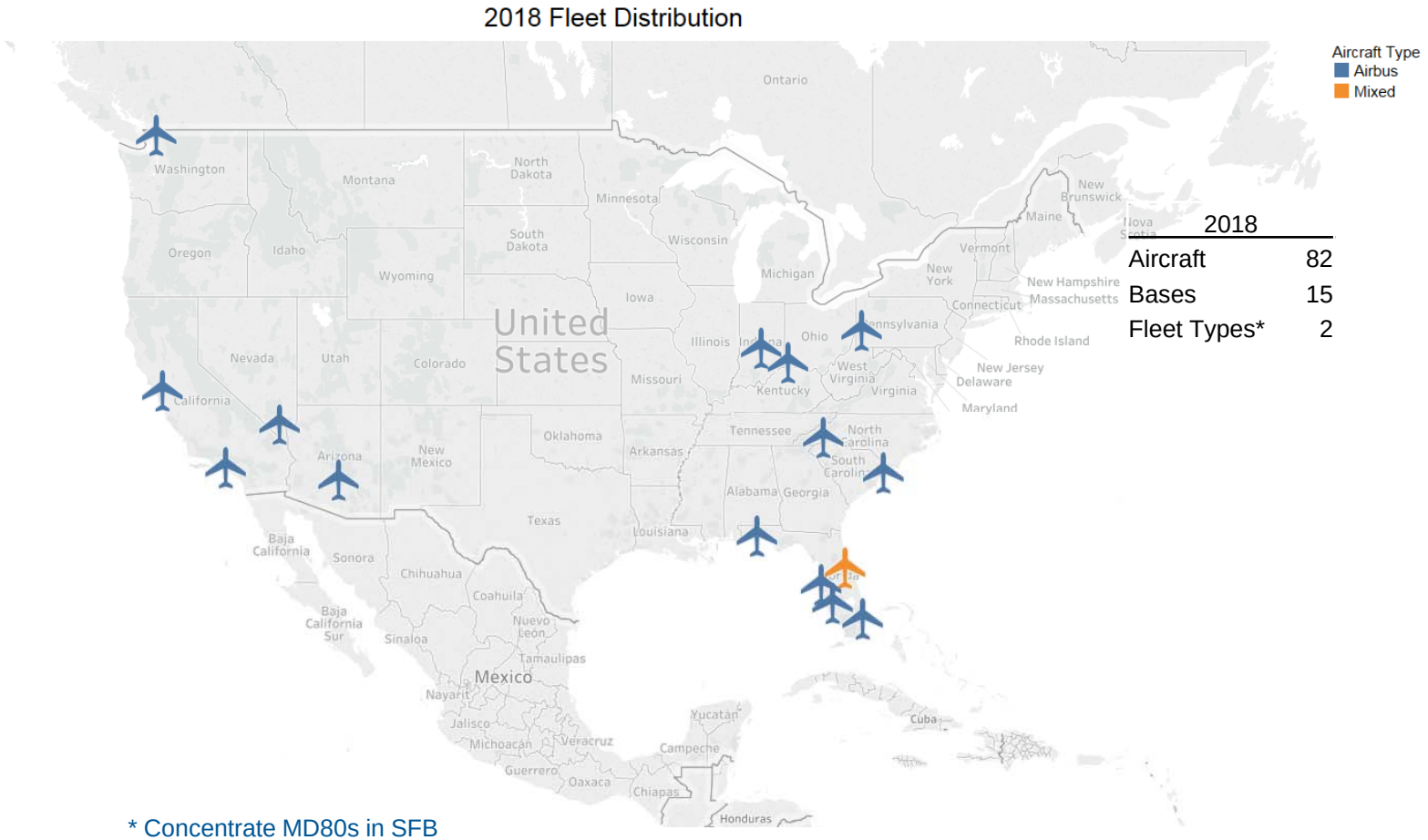


2017 Fleet deployment – mid transition



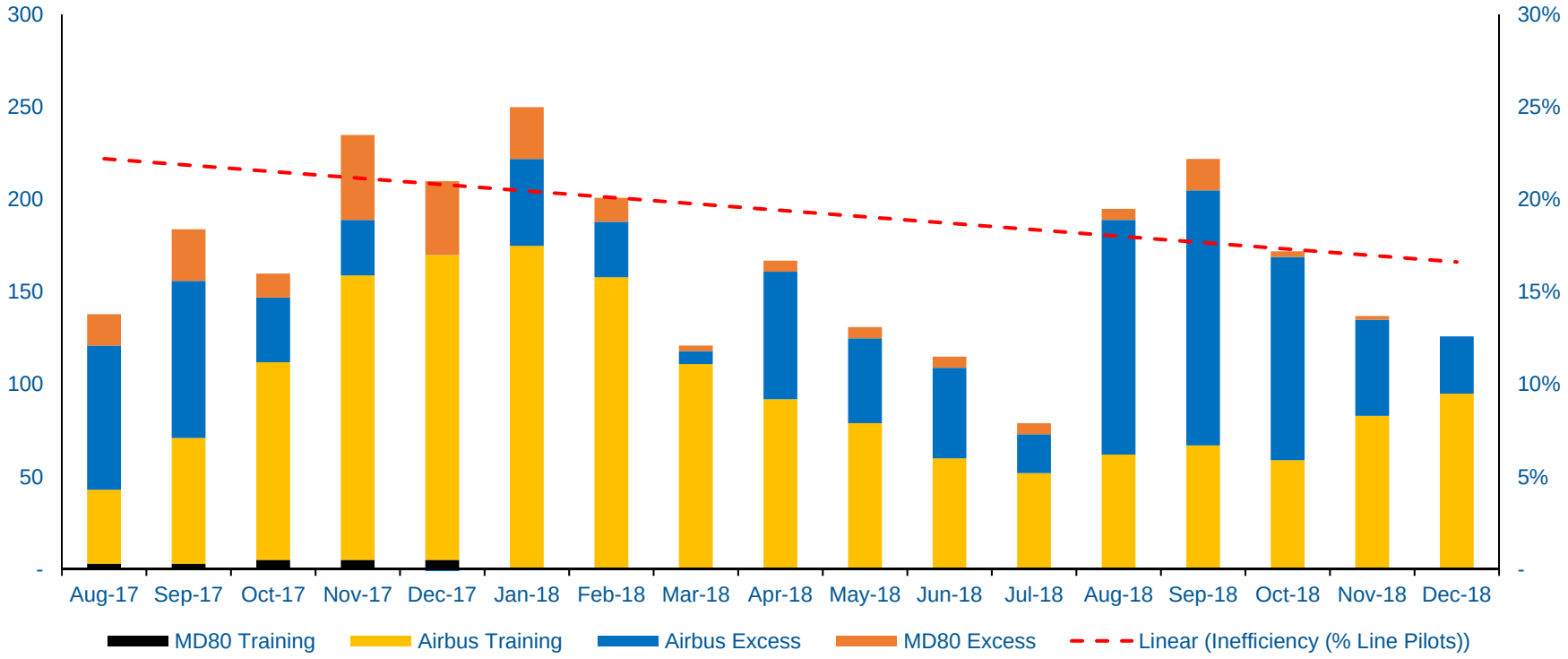
* Added Destin and Indianapolis, removed Honolulu

2018 Fleet deployment – summer strategy

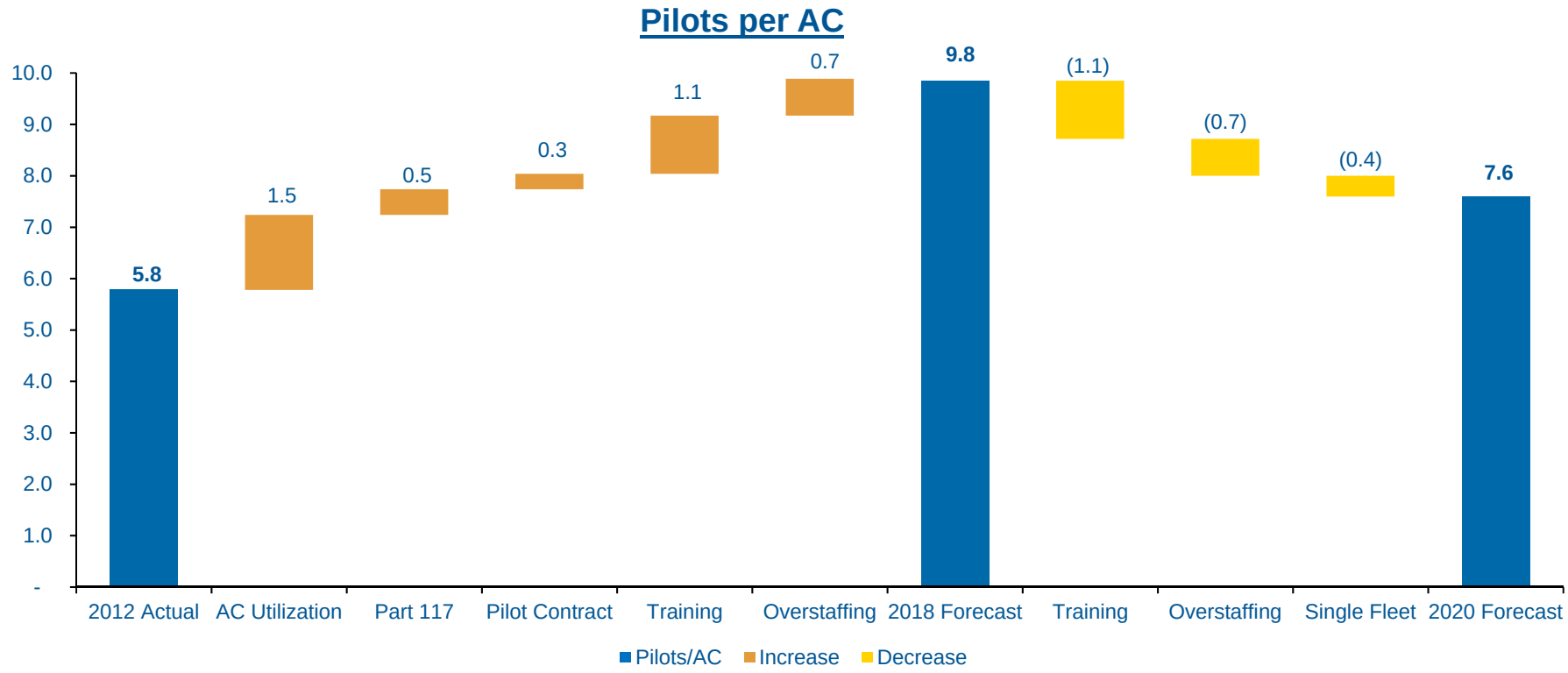


* Concentrate MD80s in SFB

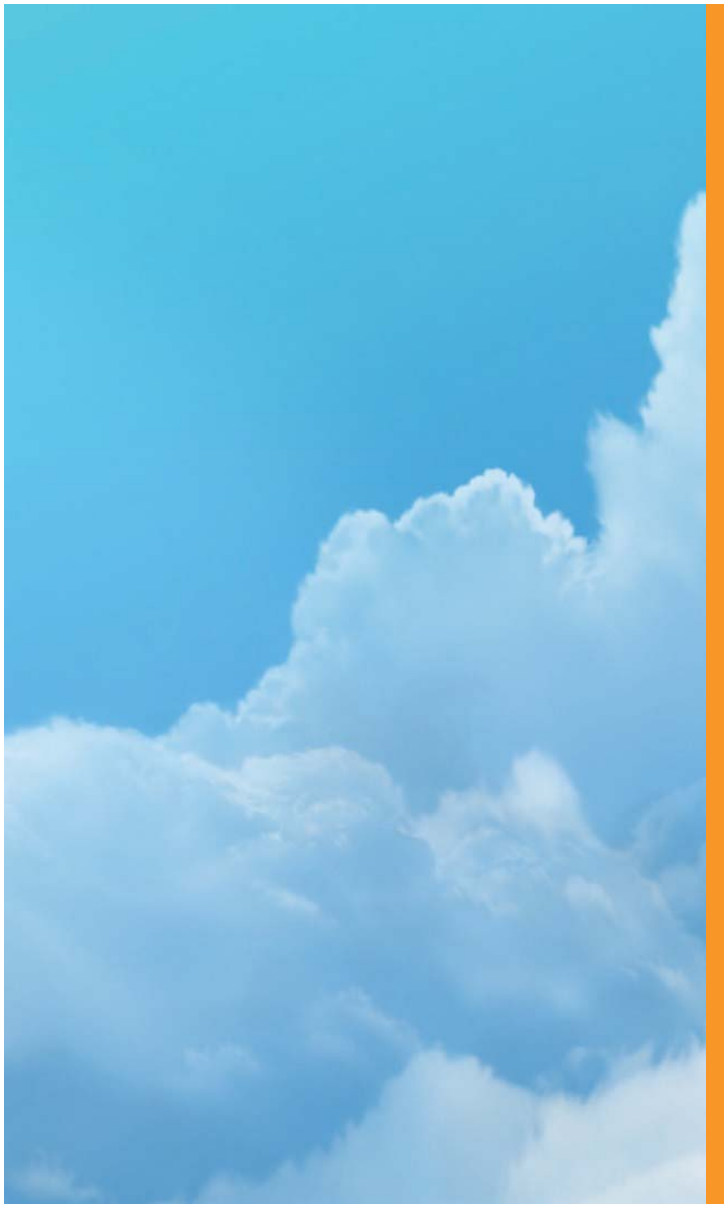
Pilot staffing – elevated levels but improving



Pilots per AC – returning to normalized levels



36

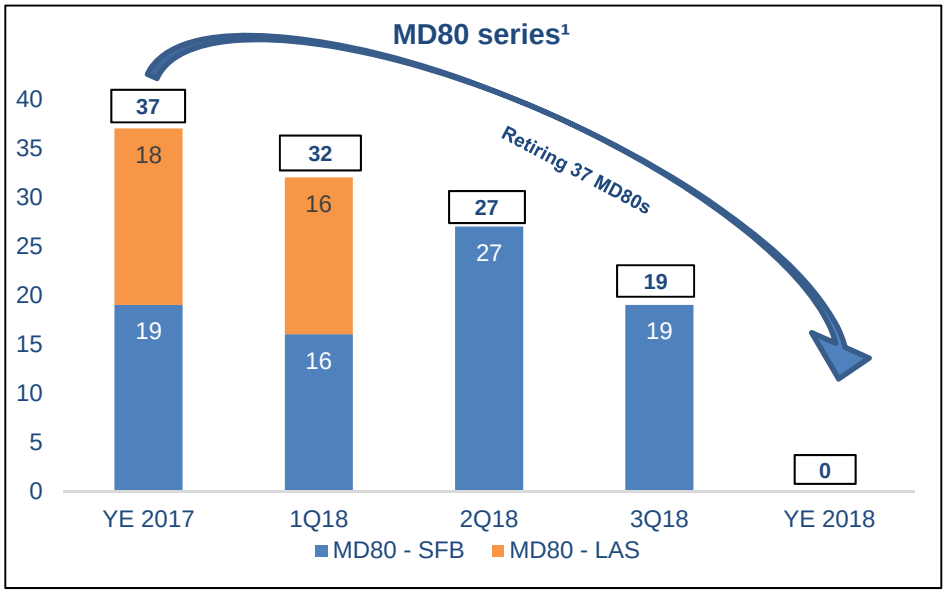


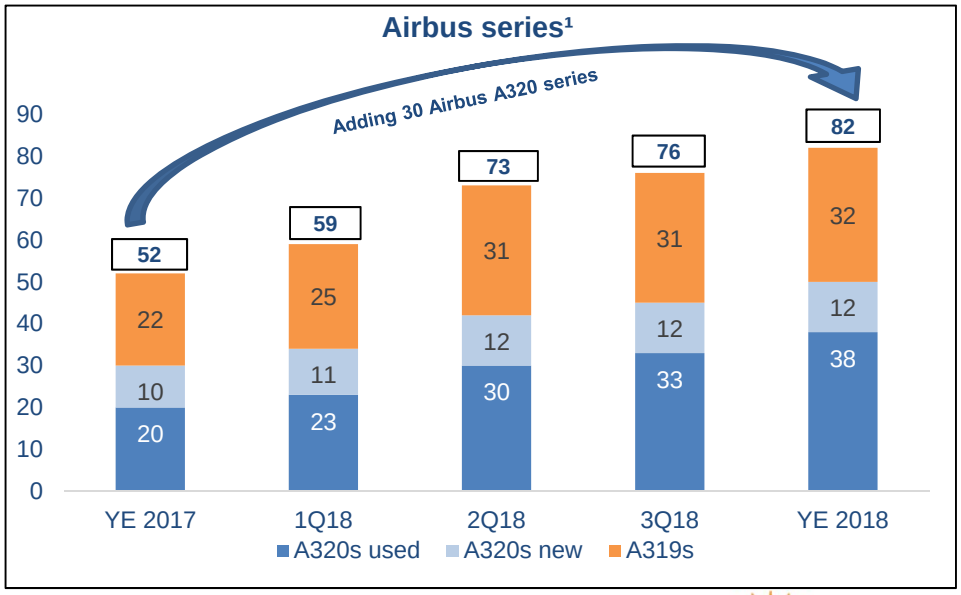
Fleet & Treasury

allegiant®

Fleet transition – 2018

1. All Airbus fleet by November 2018
   - a. Current MD80 bases LAS & SFB; in May 2018 all MD80s based in SFB
   - b. MD80 NBV - $38 million as of November 2018 (includes expendables)



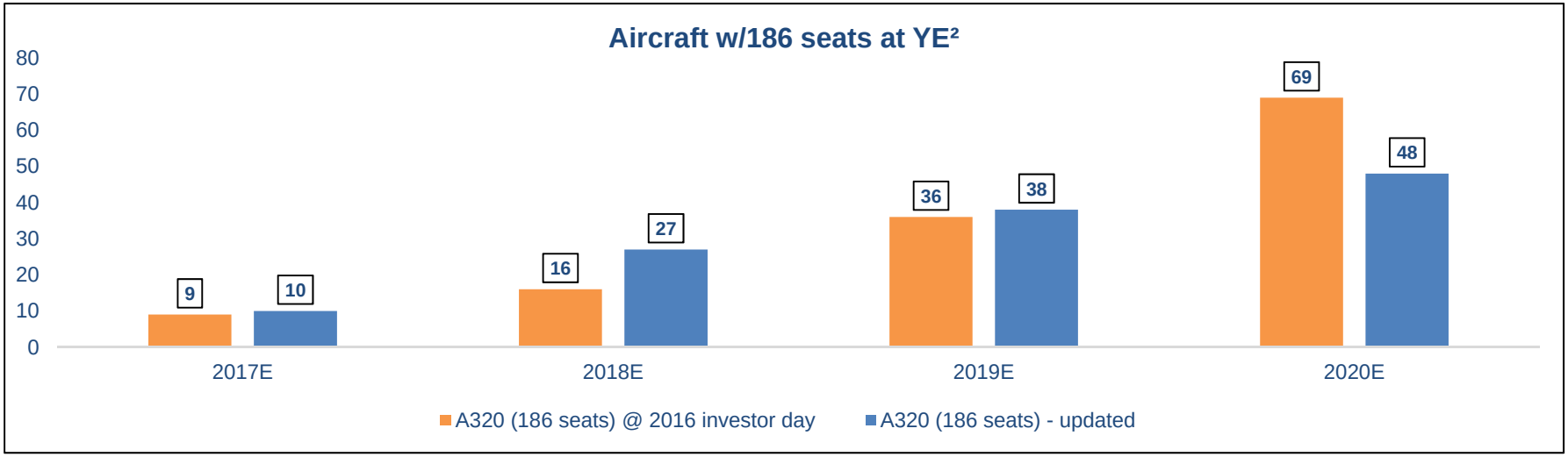


1 - Estimated aircraft at end of quarter

Airbus – 186 seat modification

1 **21 fewer A320s to be modified to 186 seats due to current restraints[1]**

EBIT Contribution-$m [3]	Original 2020E	Update 2020	Comments
186 seat modification	$27	$17	Expecting annual EBIT contribution per used aircraft modification ~$500k

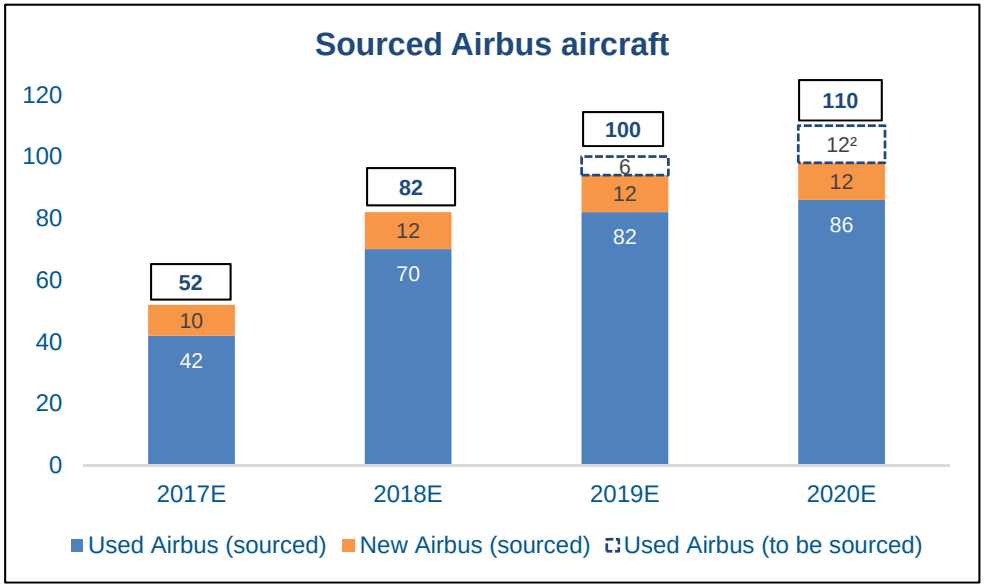


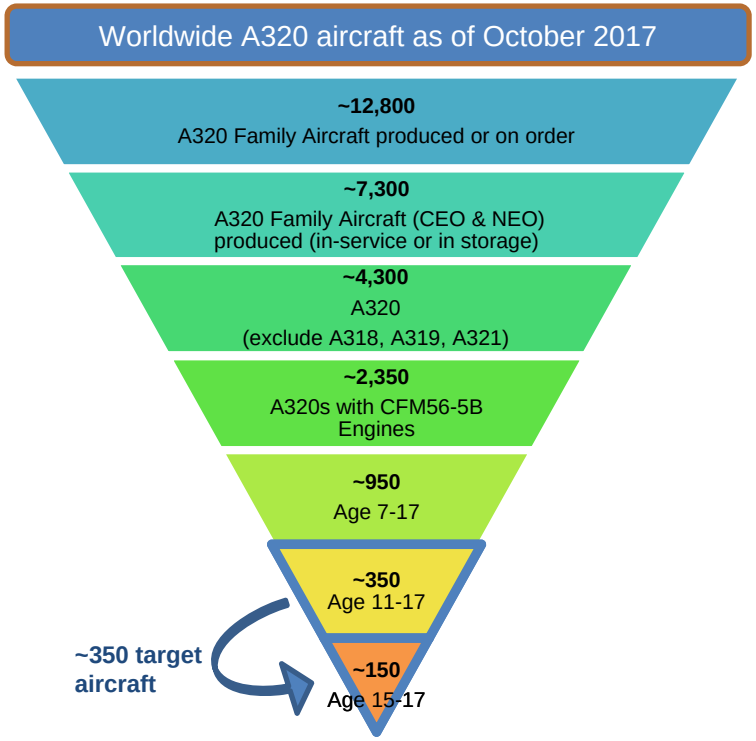
1 - Airbus A320 aircraft currently do not qualify for 186 seat modification if manufactured before ~2000
2 - Year end counts include our 12 new airbus aircraft ordered directly from manufacturer with 186 seats
3 - 2020 is projected earnings increases over 2016
Estimates are based on various assumptions which may not materialize

Fleet growth

1 **Since 2013, we have sourced[1] 98 airbus A320 series aircraft**

a **To opportunistically source 12 additional used A320 by YE 2020**

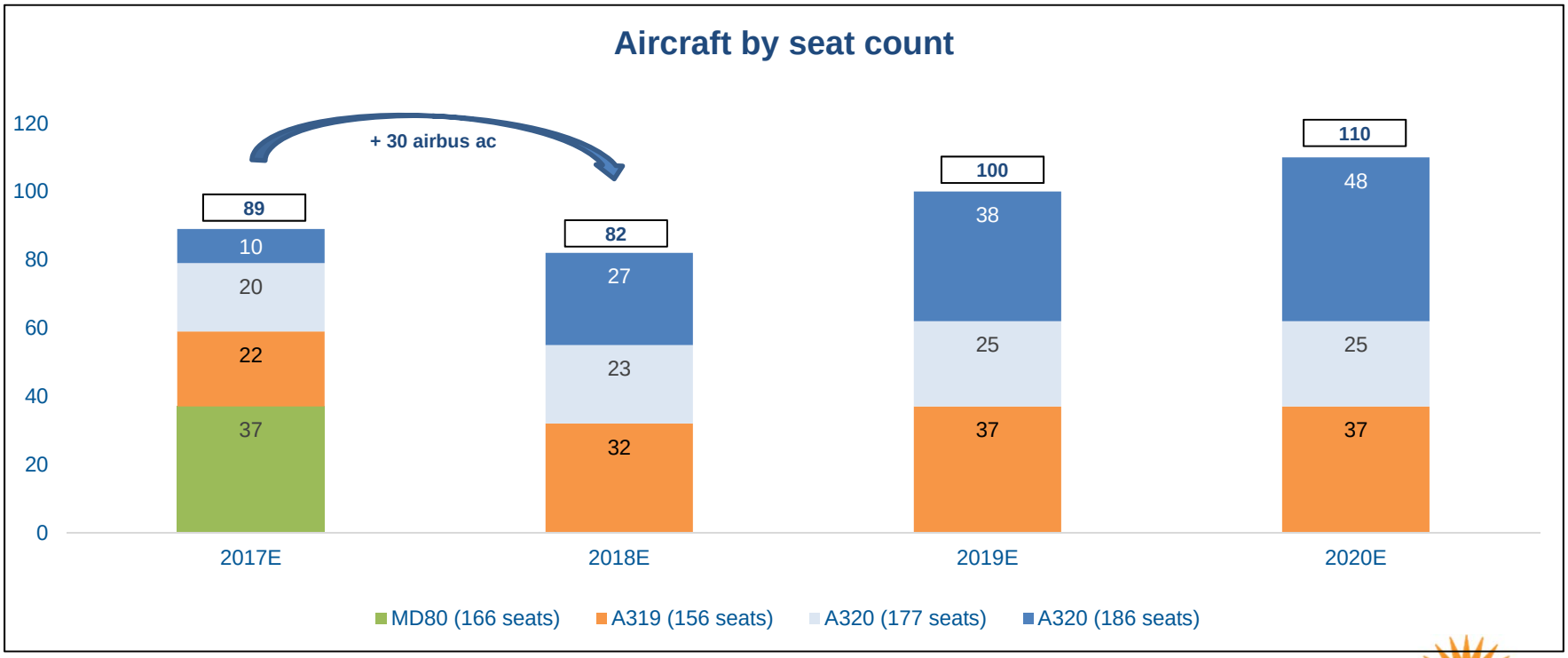




1 - "Sourced" is defined as being acquired, under a purchase agreement, lease agreement or letter of intent
2 - Total includes Airbus aircraft to be sourced opportunistically in 2019 and 2020, as market permits

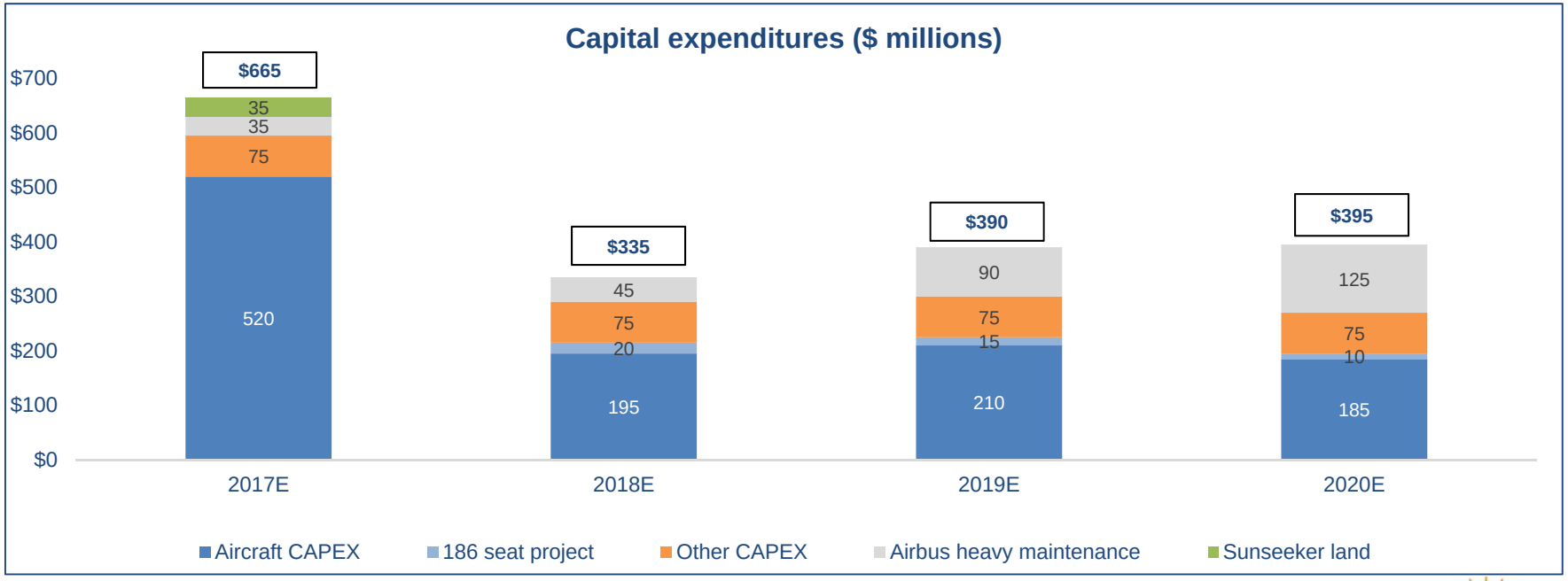
Fleet plan

1 **Estimated aircraft at end of year**



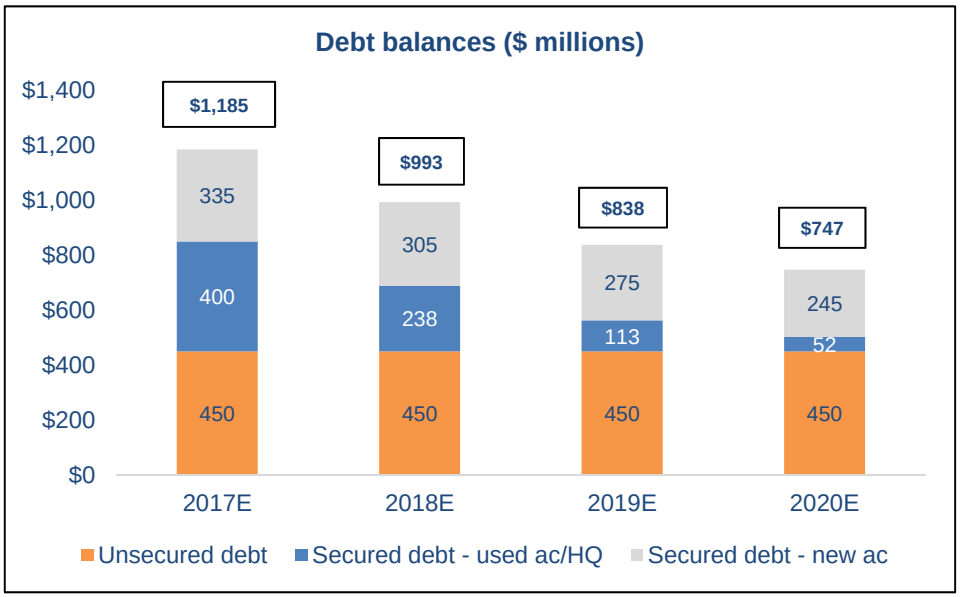
Capital expenditures

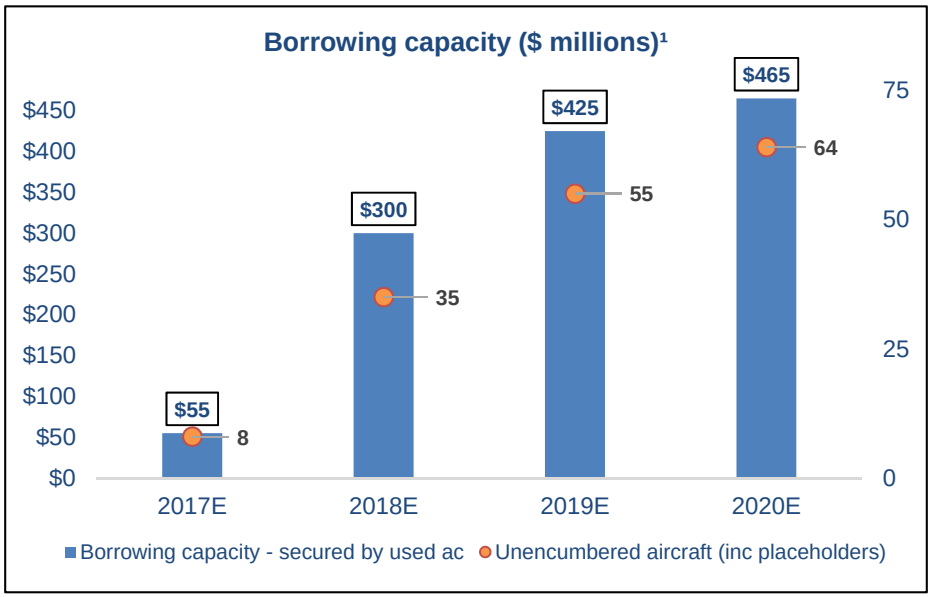
1. Placeholder aircraft included in Aircraft capex amounts in 2019 and 2020
2. Sunseeker development costs excluded as expected to be funded via condo sales and short term financing



Debt

1. Debt balances and borrowing capacity based on current commitments and reflect year-end amounts
   - a. Revolver of $56 million currently drawn – assumes pay down in 2018
   - b. Maturity of unsecured debt in July 2019 – assumes to refinance as unsecured debt

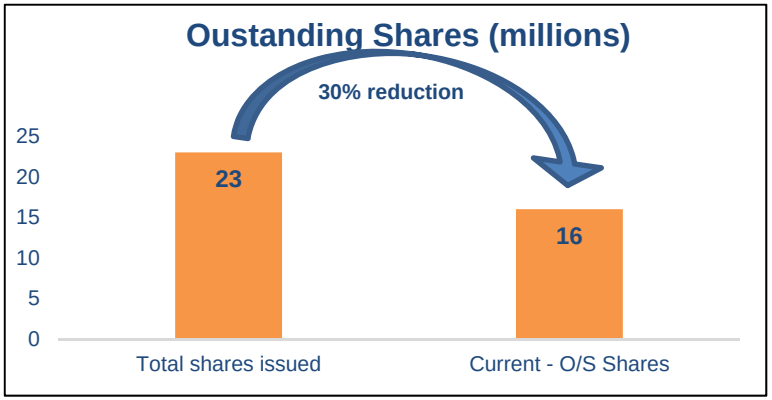


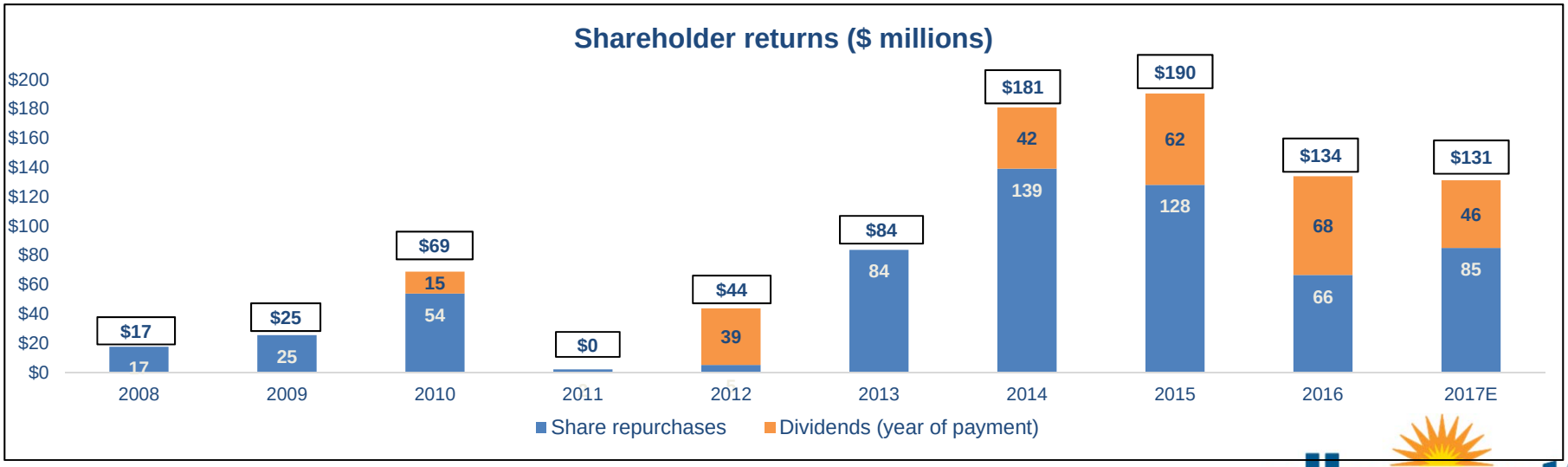


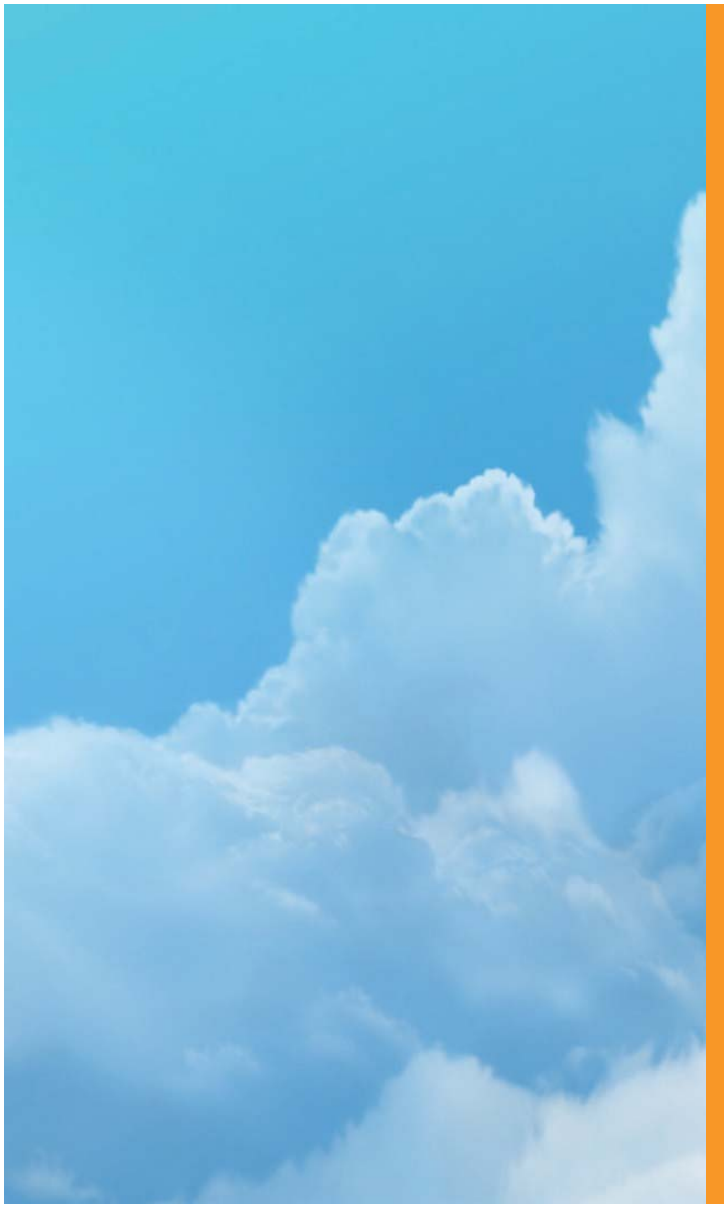
1 - LTV estimates for aircraft based on age and half-life maintenance value

Return to shareholders

1. Share-repurchases cumulative - $605 million
   a. Current authority - $100 million
2. Dividends cumulative - $260 million
   a. Quarterly dividend - $0.70 per share



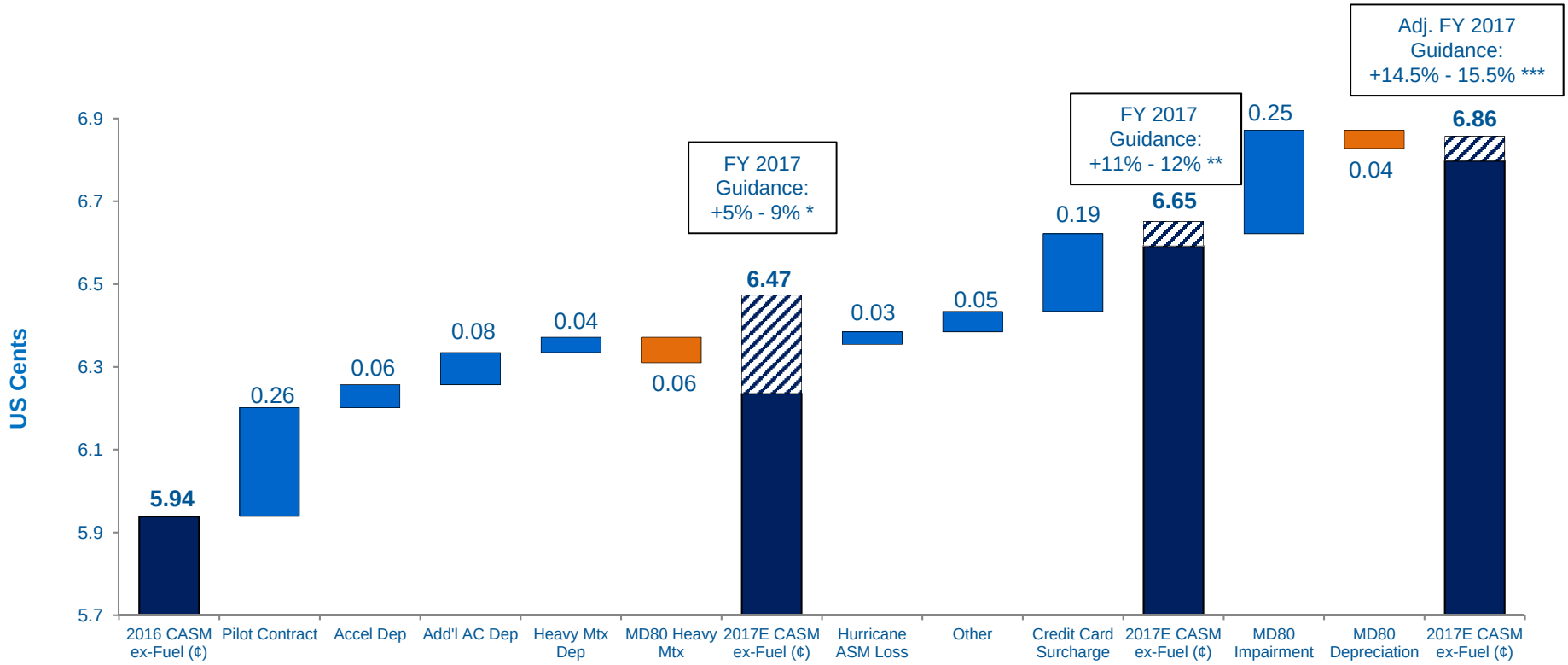




Let’s talk about costs

allegiant®

2017 guidance



* given 4Q16
** given 3Q17
*** adjusted for impairment
Shaded area reflects the guided range

2018 costs

Fuel Expense

- Accelerated MD80 retirements & Airbus utilization increases ASMs per gallon
- Current forward curve ~ $2.17 / gallon

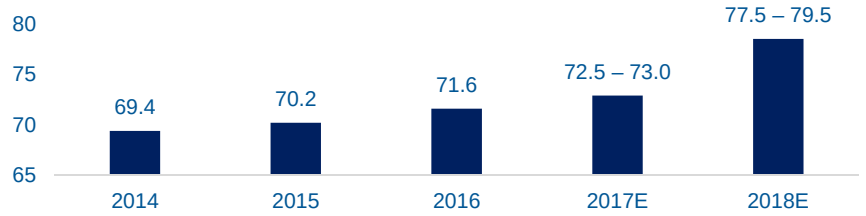
Maintenance Expense

- Accelerated MD80 retirements drive fewer non capitalized heavy maintenance events

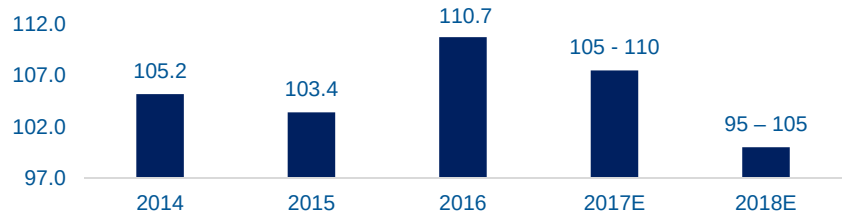
Depreciation Expense

- Additional aircraft and heavy maintenance depreciation offset by $35m 2017 MD80 Impairment

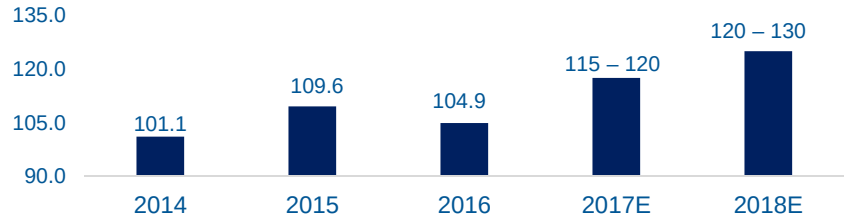
ASMs per gallon



Maintenance /Aircraft / Month ($000s)



Depreciation /Aircraft / Month ($000s)



Estimates are based on various assumptions which may not materialize

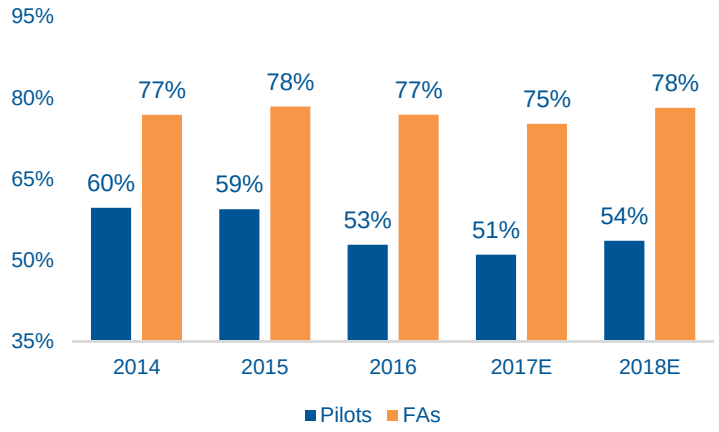
2018 costs

Salaries & Benefits Expenses

- Flight Attendant Tentative Agreement:
  - 5 year contract
  - Estimated 2018 ~ $8M
  - Estimated 5 year impact ~ $57M
  - Voting complete by end of December

Rate Increases	2018	2019	2020	2021	2022
Pilots	2.5%	1.5%	1.0%	1.0%	1.0%
Flight Attendants (Tentative Agreement)	15.5%	1.5%	1.5%	2.0%	1.0%

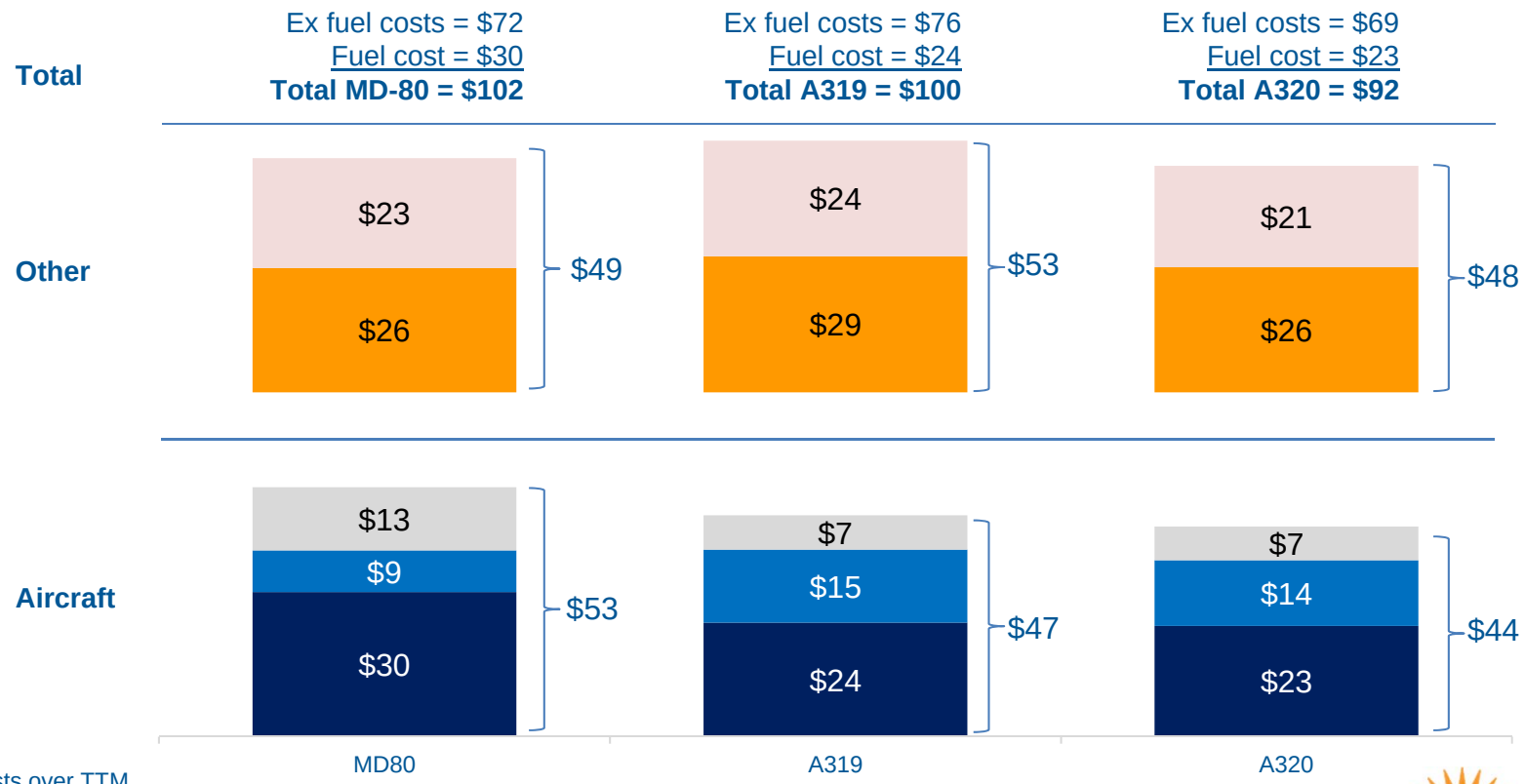
Crew productivity



Operating earnings impact -$m [1]	Original 2017E	Updated 2017E	Comments
Fuel benefit from ASM production	$6	$6	On track
Ex-fuel savings (costs)	($21)	($29)	Pilot inefficiency & training due to accelerated fleet retirement

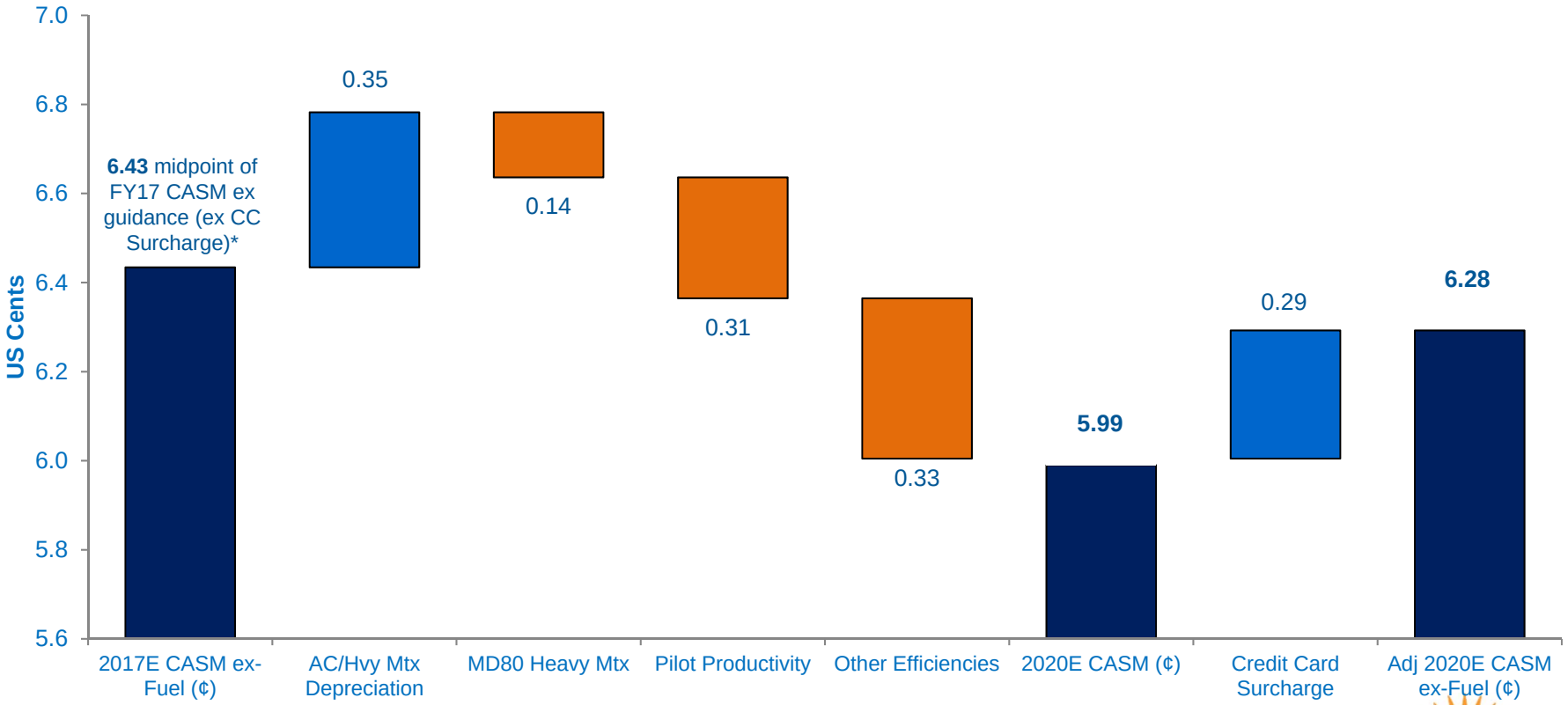
1 - 2017 is projected earnings increases (decreases) over 2016
Estimates are based on various assumptions which may not materialize

Cost per passenger ($)

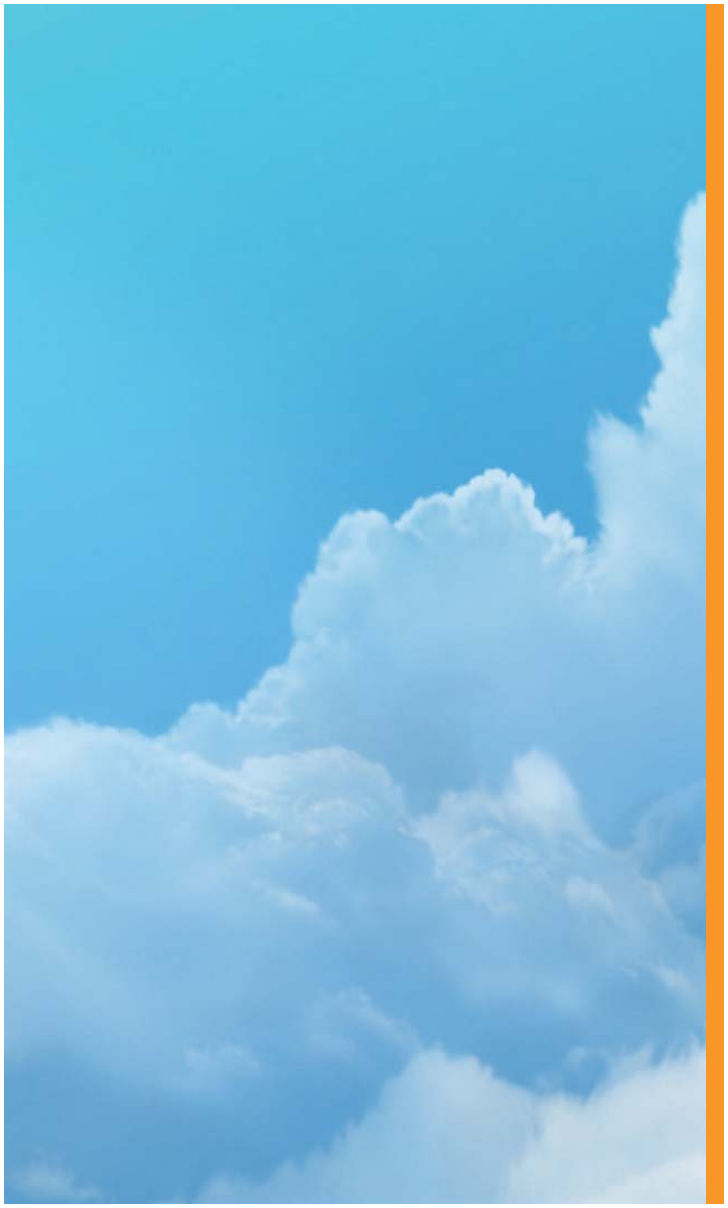


Assumptions
Fully allocated costs over TTM
A320 wtd. average seats at 178
Fuel cost - $1.84/gallon
Load Factors – MD80 – 83.0%; A319 – 84.4%; A320 – 81.4%
Added steady state Heavy Maintenance Depreciation

Estimated 2020 CASM ex-fuel



* As of 3Q17
Estimates are based on various assumptions which may not materialize



Commercial update

Commercial initiatives

Network

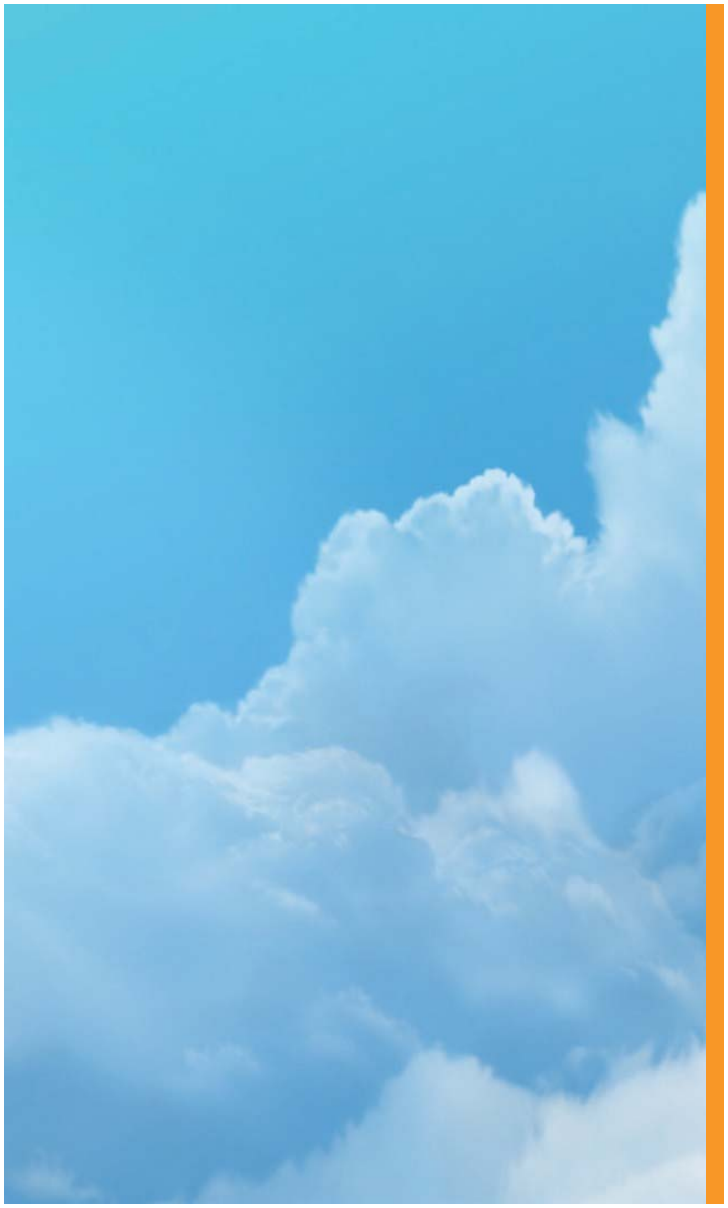
- Flexible network and capacity plans based on macro environment
- Off-peak flying accretive to EPS, headwind to TRASM
- Long network runway

Co-brand & eCommerce

- Co-brand credit card acquisition ahead of schedule
- eCommerce project revenue impact
- A/B website test results

Revenue Management

- New revenue management system performing well
- Strong fixed fee performance in 2017, expect a dip through fleet transition
- 4Q17 revenue guidance update

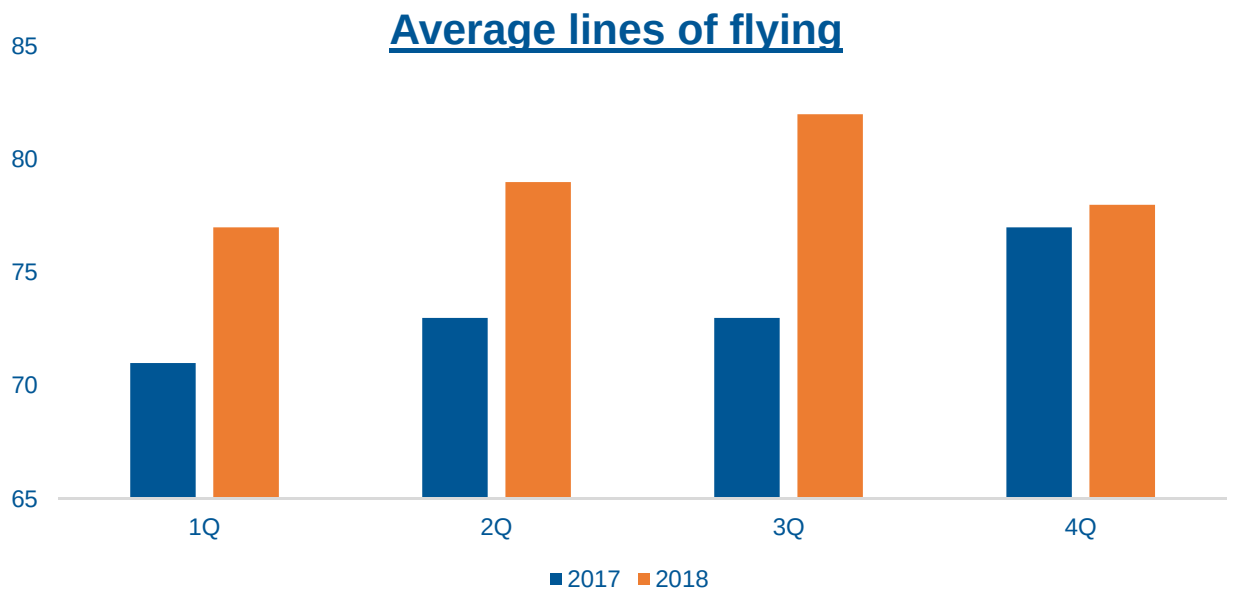


Network

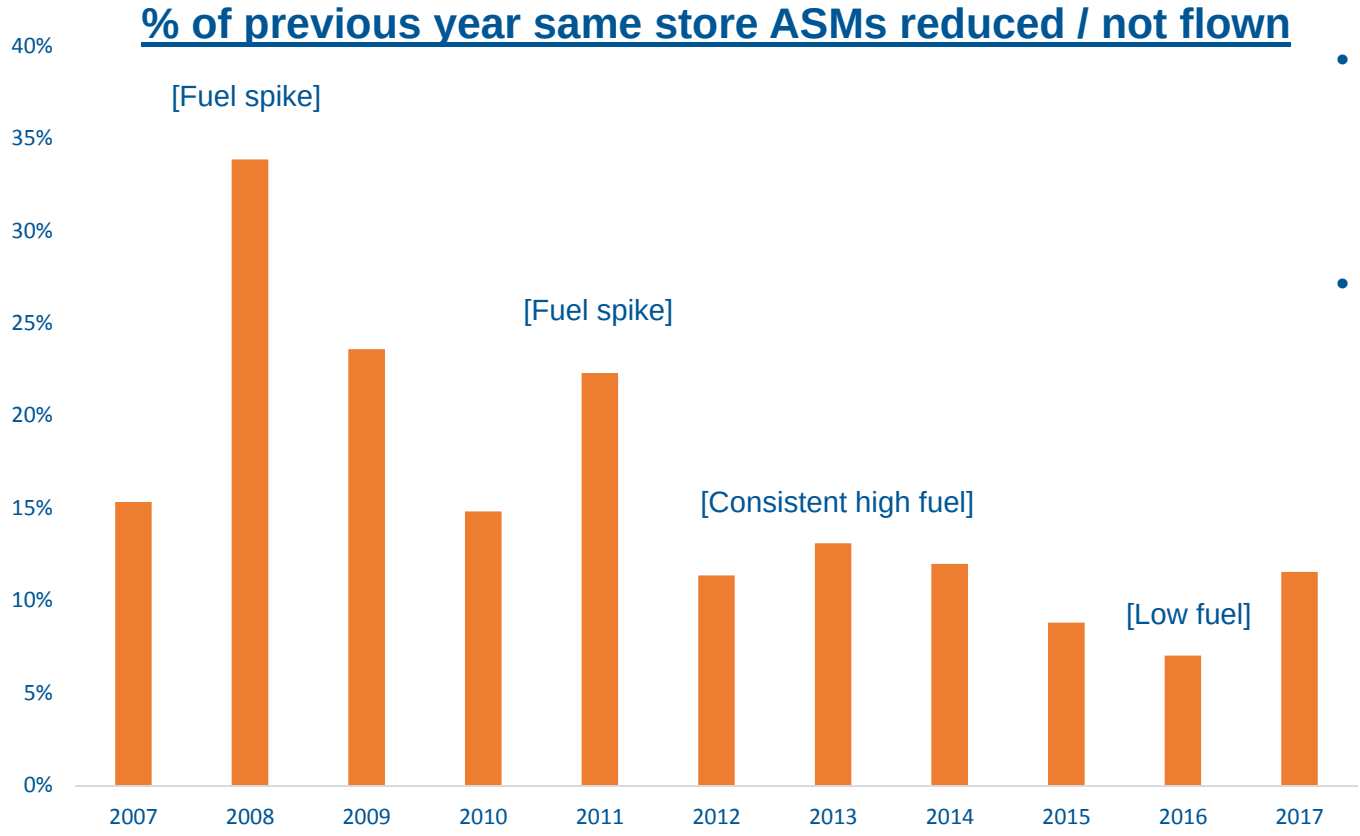
allegiant

2018 capacity guidance

- 2018 YoY ASM growth expected to be between 11 to 15%
- Ability to grow despite decline in frames in part due to Airbus efficiency over MD80s
- 4th Quarter 2018 will see least amount of growth as we end transition quickly

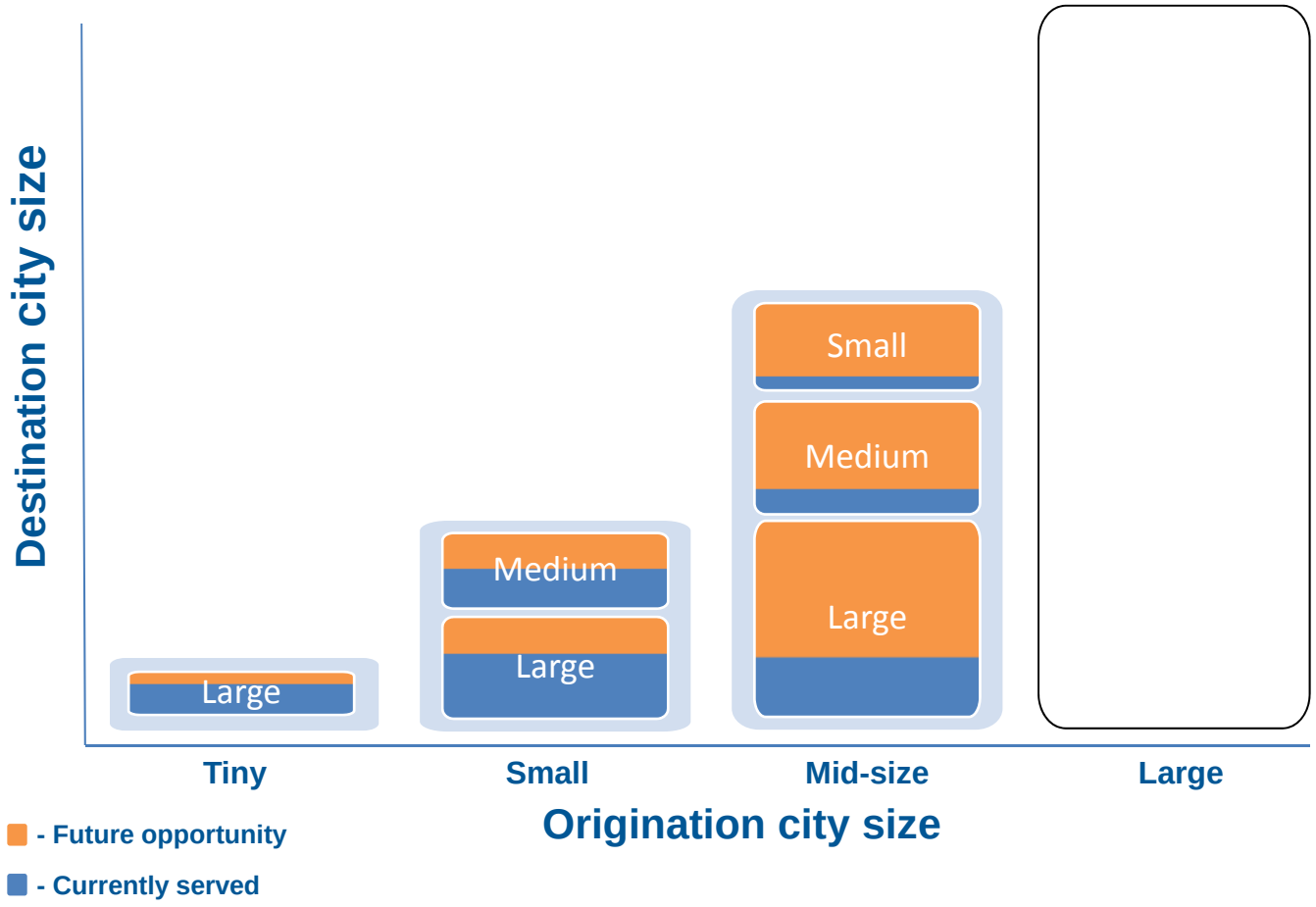


Network and capacity flexibility



- Continue to be flexible with macro environment and oil price
- Ability to manage capacity on a single round-trip basis

Future capacity growth



Representative Cities

Tiny Origination: Grand Island, NE

Small Origination: Syracuse, NY

Mid-size Origination: Cincinnati, OH

Large Origination: Atlanta, GA

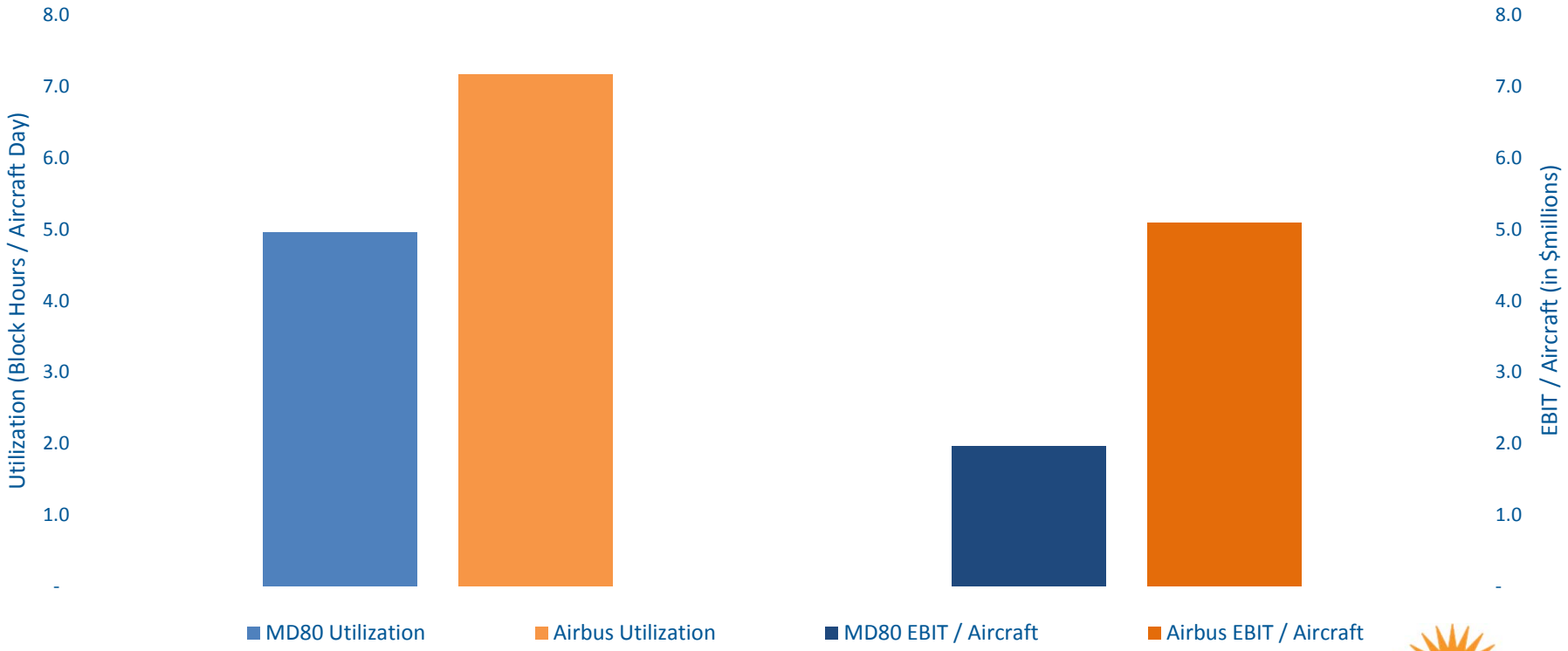
Small Destination: Savannah, GA

Mid-size Destination: Austin, TX

Large Destination: Las Vegas, NV

Fleet comparison: MD80 vs Airbus

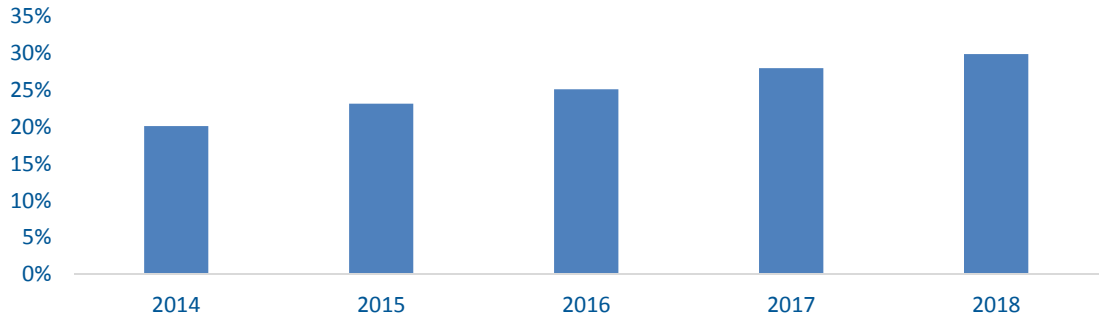
Projected profitability & utilization of a 100 aircraft single fleet



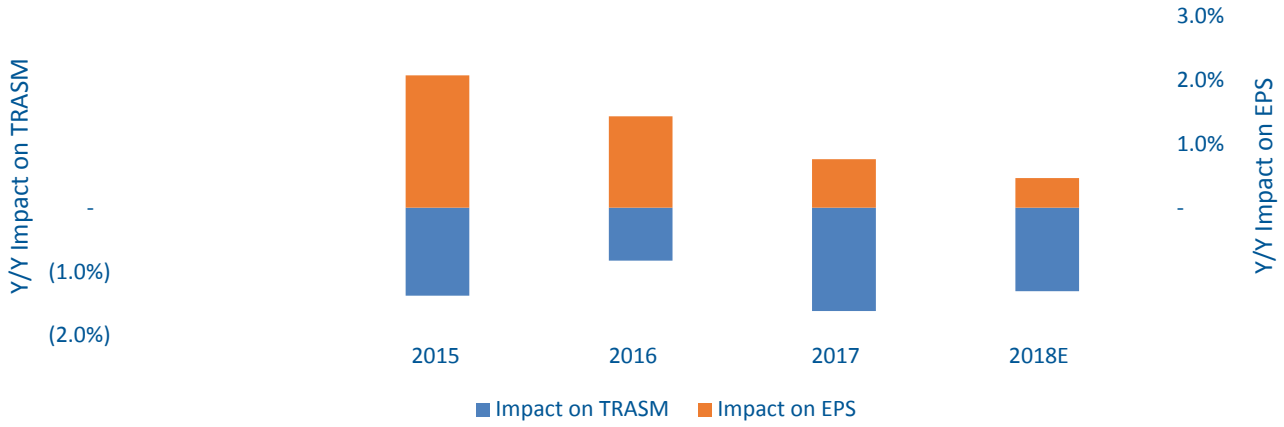
Notes:
Fuel price assumption of $2.17/gal
Does not include 2020 earnings initiatives

Off-peak growth impact

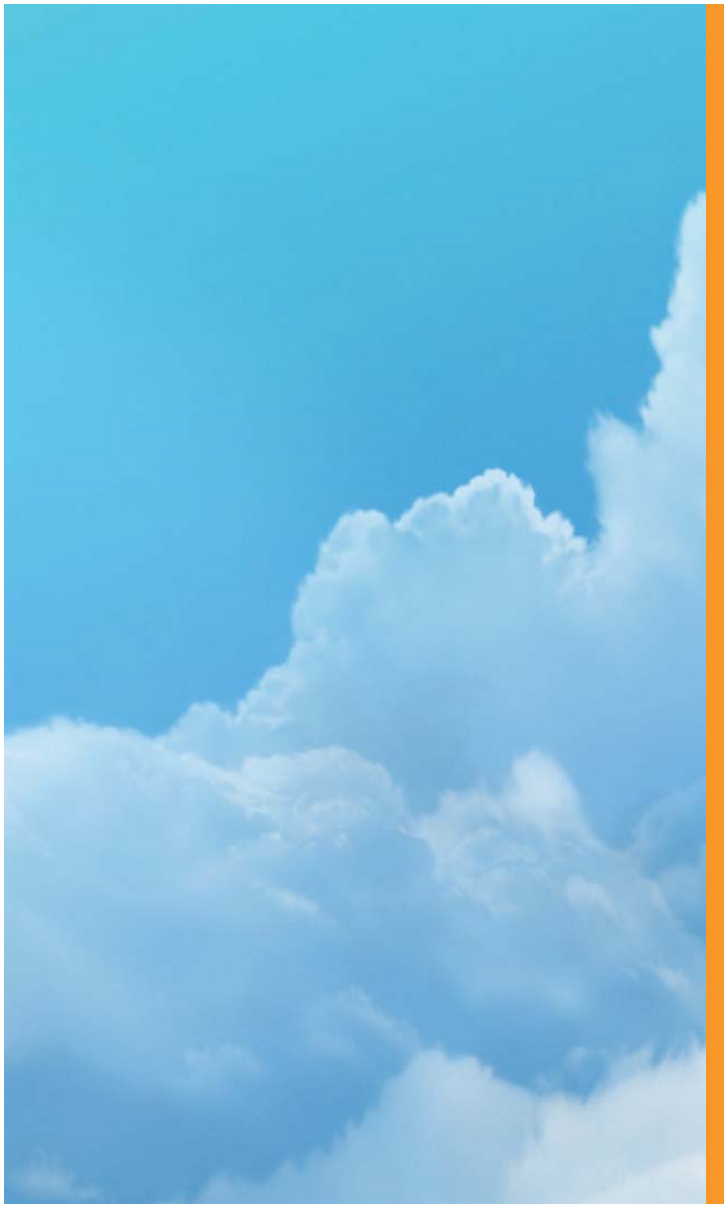
Percent off-peak ASMs



Year / year impact of incremental off-peak flying



- Off-peak defined as Tuesday, Wednesday, Saturday flying
- Growth in off-peak driven by lower fuel prices in 2015/16 and Airbus margin profile vs. MD80
- Off-peak flying still accretive to EPS. Will flex up/down based on macro environment



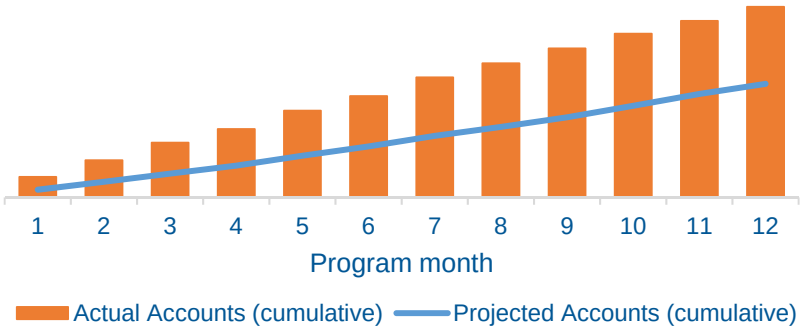
Co-branded credit card & eCommerce

allegiant

Co-branded credit card

- Strong, sustaining customer demand for the co-branded card benefited by
  - Robust and unique value proposition
  - Closed distribution
  - Small cities
- Future tailwinds from
  - Cardholder acquisition optimization
  - Additional destinations from current cities
  - Non-card loyalty program

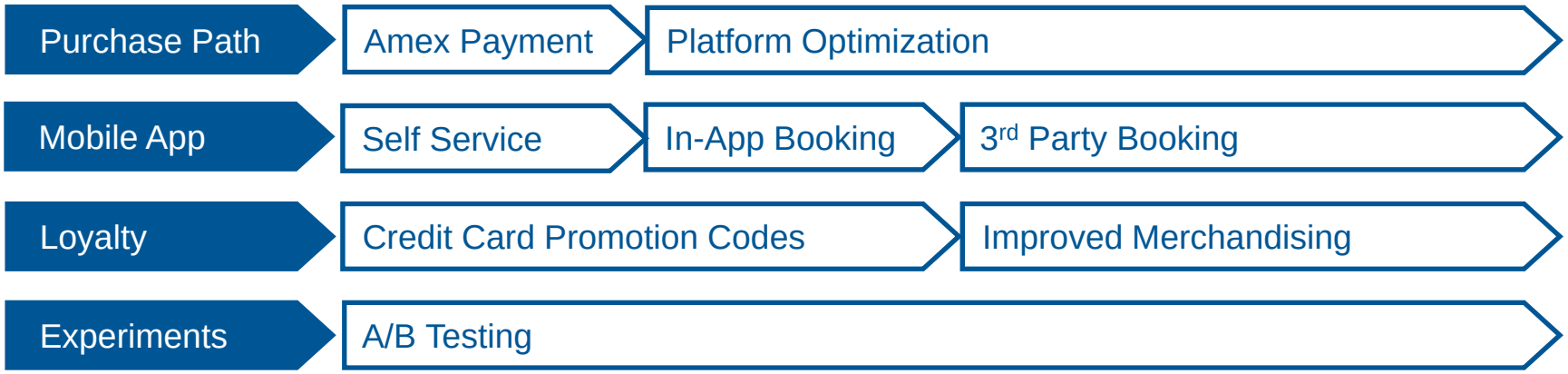
Account acquisition vs projections



Projected annual earnings impact [1]	Original 2017E	Updated 2017E	Original 2020E	Updated 2020E
Program Contribution	$10m	$17m	$45m	$50m

1 - 2017 and 2020 numbers are projected earnings increases over 2016
Estimates are based on various assumptions which may not materialize

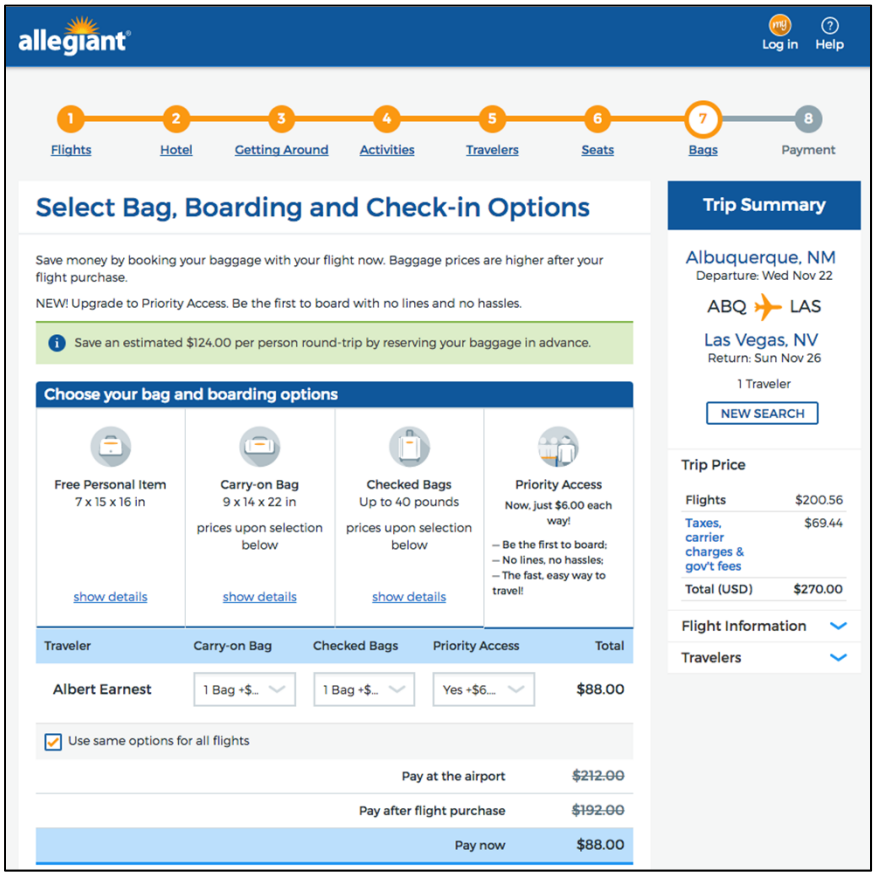
eCommerce: 2017 projects



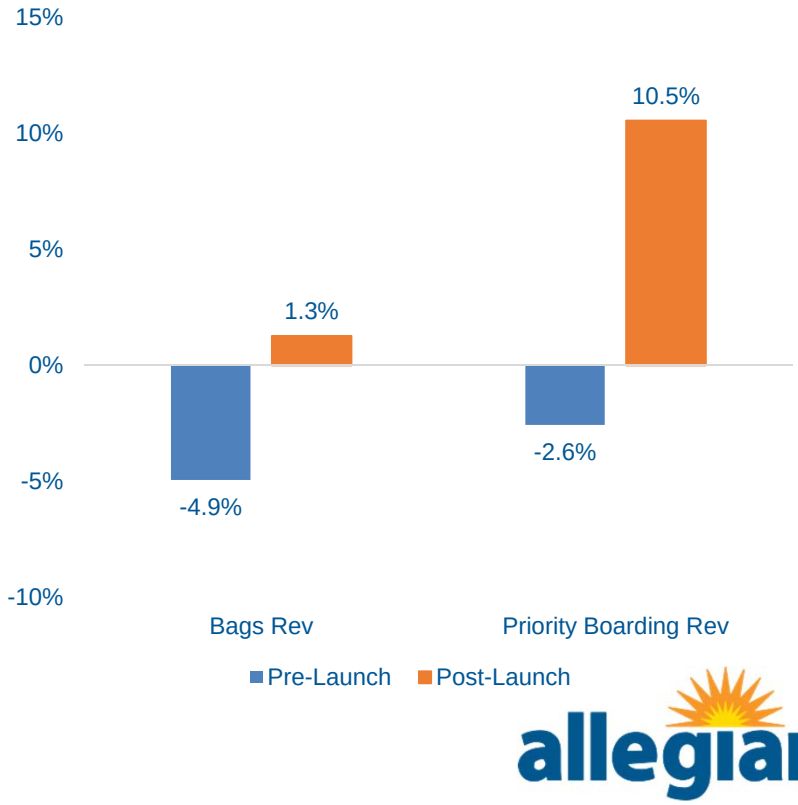
Projected annual earnings impact [1]	Original 2017E	Updated 2017E	2020E
eCommerce Incremental Revenue	$14m	$10m	$92m

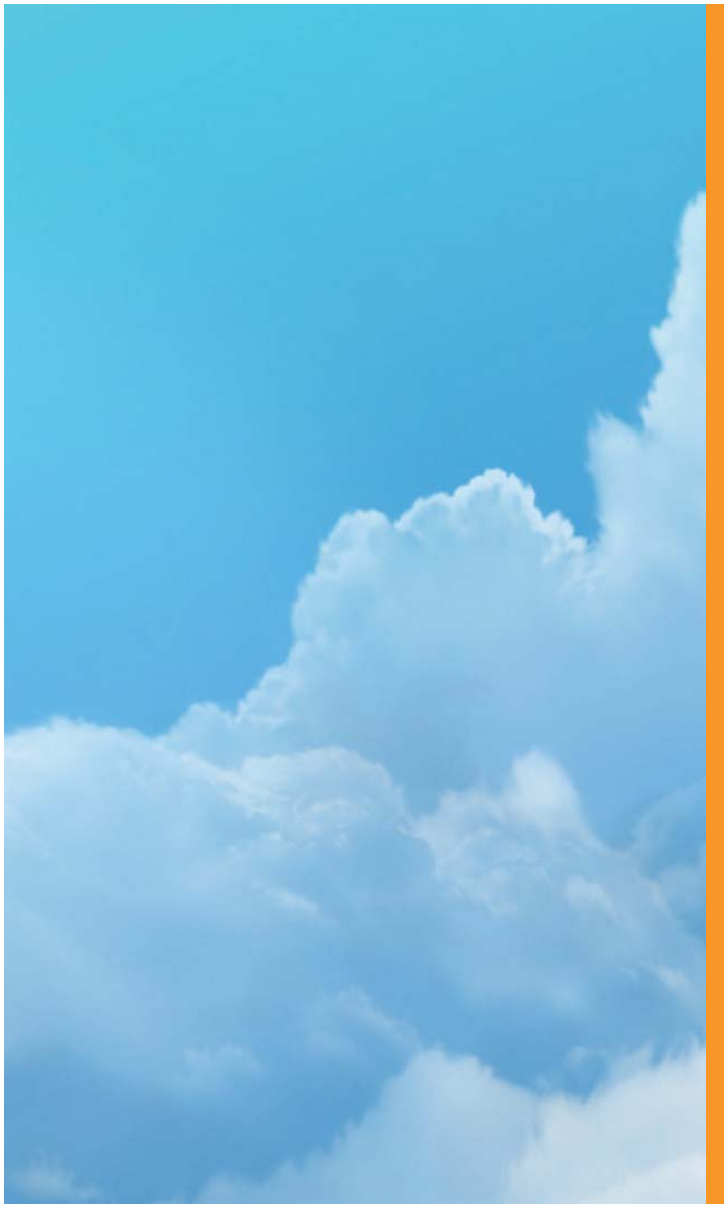
1 - 2017 and 2020 numbers are projected earnings increases over 2016
Estimates are based on various assumptions which may not materialize

A/B Test: select bags page



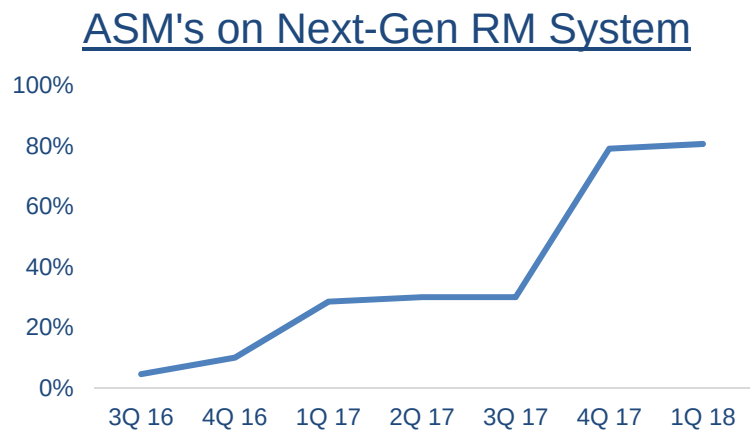
Revenue per passenger





Revenue

Next-Gen revenue management system



- Testing on next-generation RM system began on flights in Aug 2016
- Slower than expected ASM rollout due to several major programming changes through 2017
- System utilizes advances in data science to:
  1. Improve flight forecasting
  2. Reacts faster when bookings deviate from forecast
  3. Optimize pricing path calculated daily

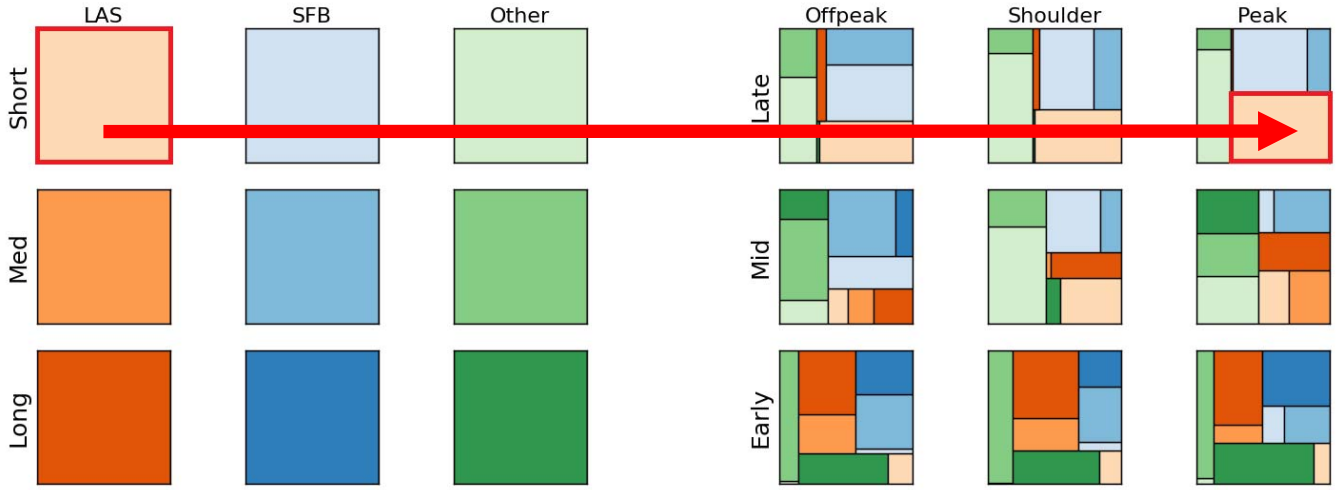
Projected annual earnings impact [1]	Original 2017E	Updated 2017E	2020E
Revenue Management System	$7m	$2m	$49m

1 - 2017 and 2020 numbers are projected earnings increases over 2016
Estimates are based on various assumptions which may not materialize

Flight clustering example

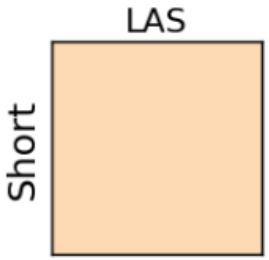
First-Gen Allegiant system:
Aggregate flight demand
based on regions and haul

Next-Gen Allegiant system:
Aggregate flight demand into
best-fit clusters

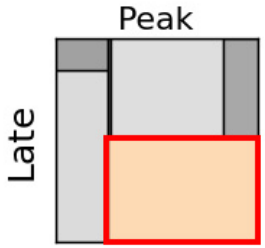


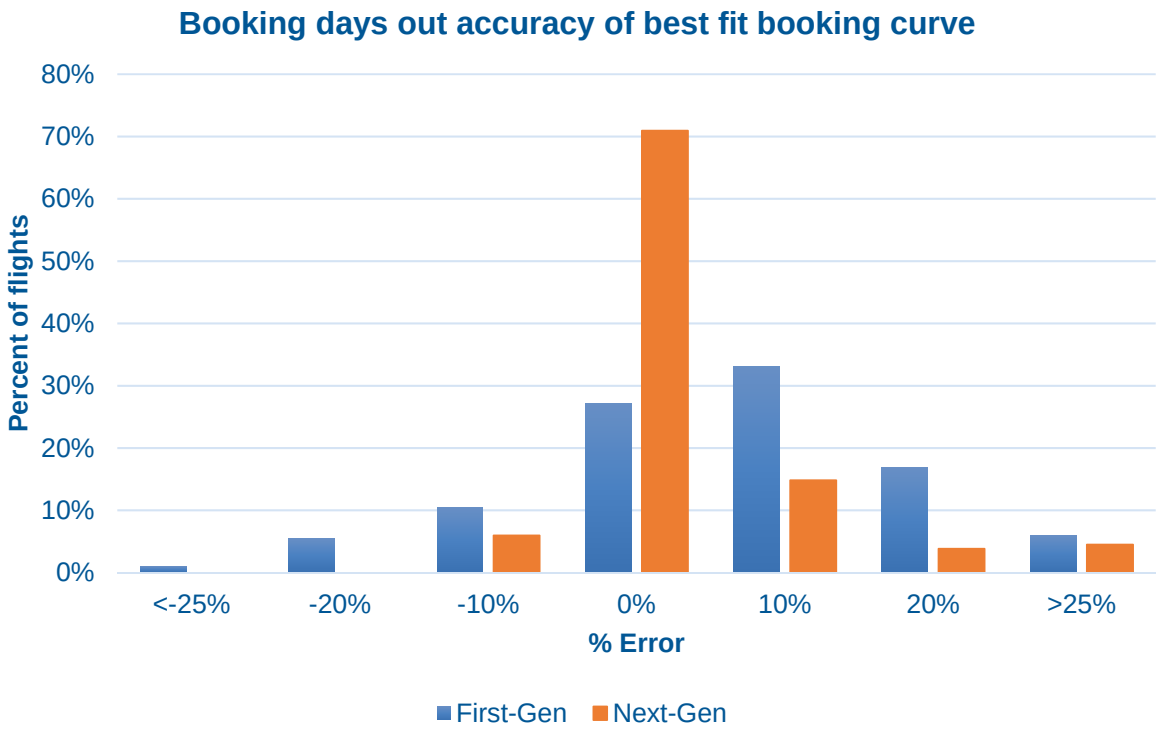
Clustering leads to improved accuracy

First-Gen



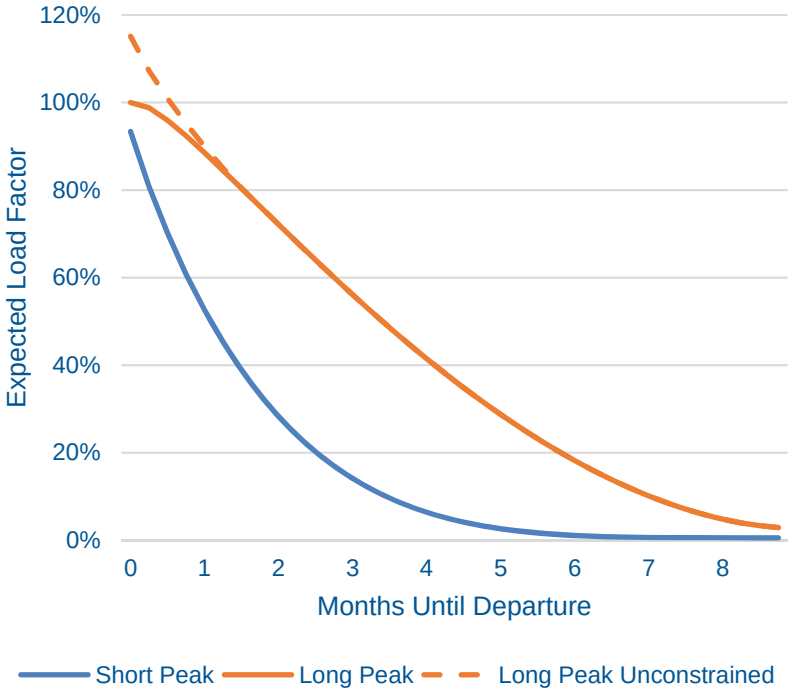
Next-Gen

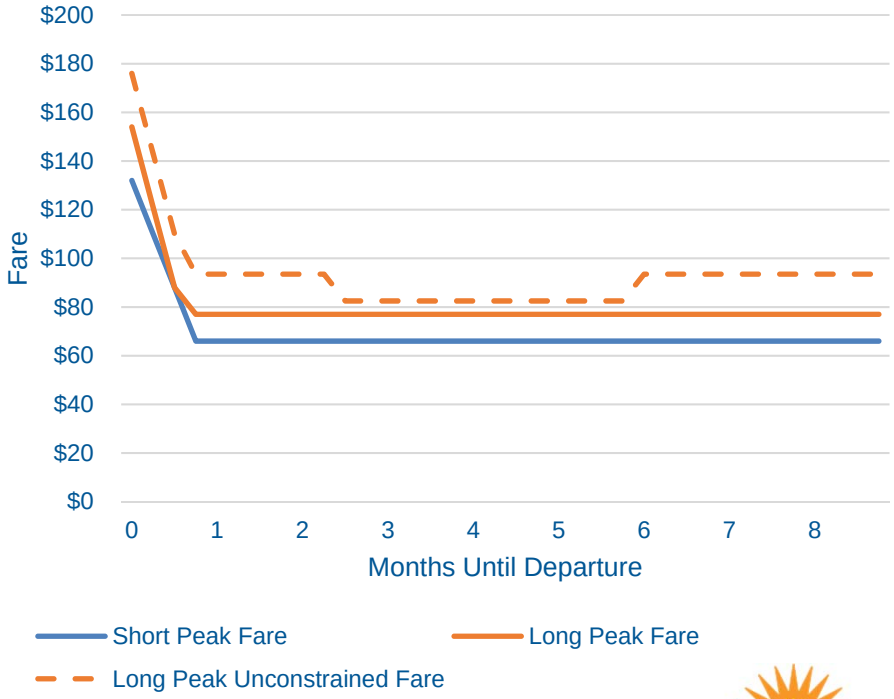




Unconstrained demand

- Next-Gen system forecasts how flights would sell if they had not sold out
- Unconstrained demand is used when calculating the optimal fare





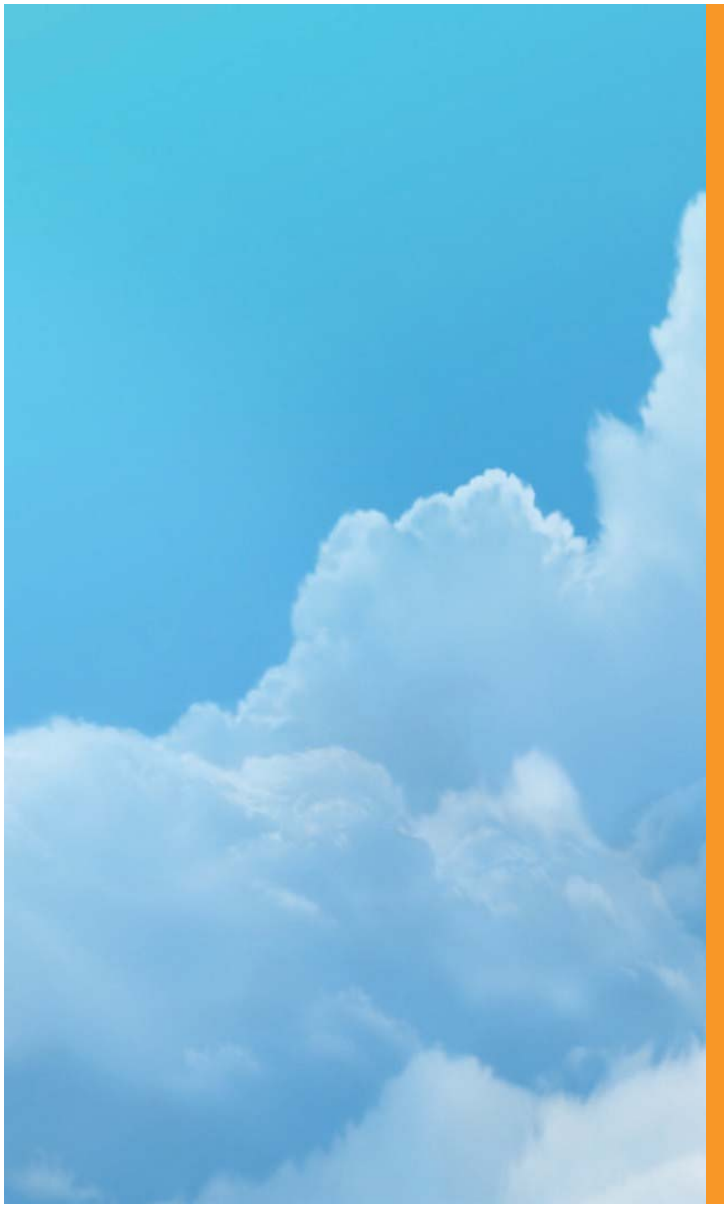
Fixed fee revenue

- Increased fixed fee opportunities on slack in the schedule over the past two years
- International track programs contracted through 2019
- Airbus charters are commanding a revenue premium over MD-80s
- More opportunities for fixed fee once international scheduled service starts
- Fixed fee flying will decrease in 2018 due to aircraft availability caused by fleet transition
- Fixed fee flying passes fuel expense to clients – natural fuel hedge to scheduled service

	2015	2016	2017E	2018E
Fixed Fee Revenue	$20M	$30M	$45M*	$35M

*Previously $40M

Estimates are based on various assumptions which may not materialize



Revenue guidance & initiatives

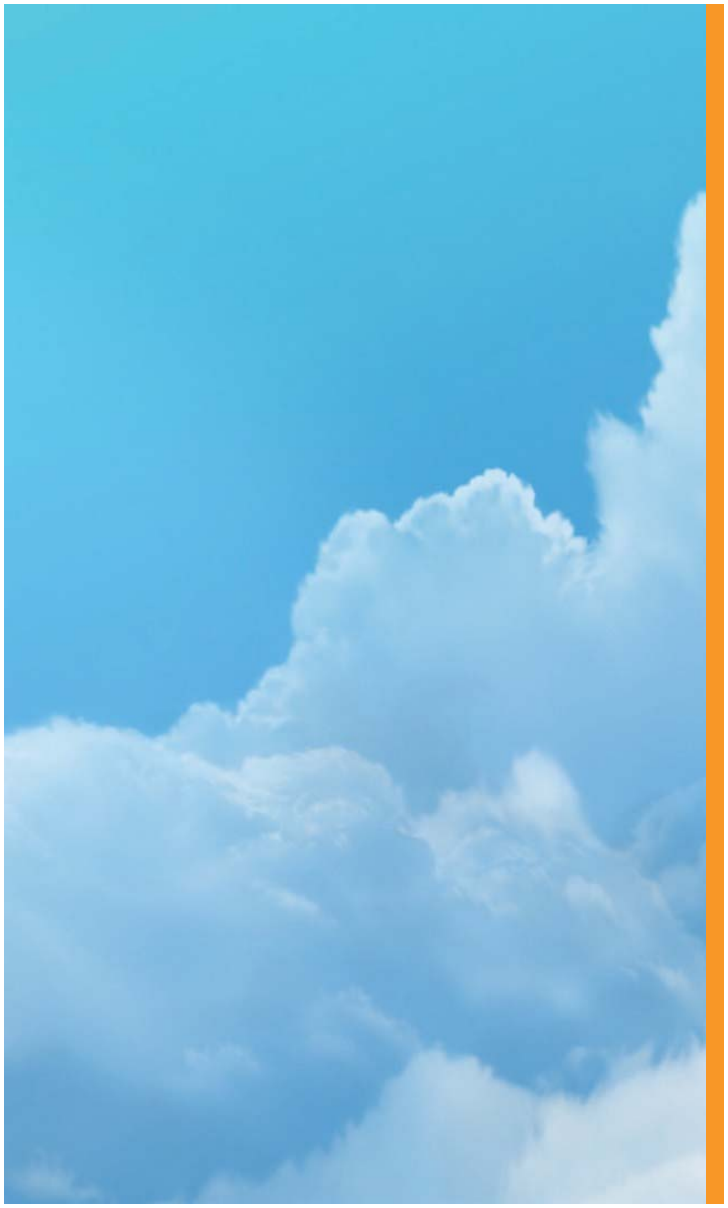
Commercial initiatives earnings impact ($m)

Projected annual earnings impact [1]	Original 2017E	Updated 2017E	Original 2020E	Updated 2020E
Co-brand Credit Card	$10	$17	$45	$50
eCommerce Incremental Revenue	$14	$10	$92	$92
Revenue Management System	$7	$2	$49	$49
Fixed Fee	$5	$8	$20	$20
Fleet Productivity	$0	$0	$21	$33
Total	$36	$37	$227	$244

1 - 2017 and 2020 numbers are projected earnings increases over 2016
Estimates are based on various assumptions which may not materialize

4Q17 TRASM guidance update

- 4Q17 YoY TRASM expected to be (1) to 1%, up from previous guide of (3) to (0.5)%
- Revenue initiatives performing better than expected by 100bps
- Demand stronger than expected by 75bps



2018 guidance & initiatives update

allegiant®

Updating how we will guide

- Will provide full year EPS
  - In business to maximize EPS
  - Aligns the long term interests of the company with the street
- Will not be providing
  - Quarterly TRASM
  - Quarterly or full year CASM ex fuel

2018 EPS guidance

2018 FY EPS range	$8 - $10 per share
Assumptions	
FY 2018 fuel cost	$2.17
FY 2018 ASMs/Gallon	77.5 to 79.5
FY 2018 interest expense	$50m to $60m
FY 2018 tax rate	37% to 38%
FY 2018 share count	15.9m
$35m MD-80 impairment taken in 4Q17	

Guidance subject to change
Fuel cost as of November 17, 2017

Other guidance

Item	Guidance
4Q 2017 TRASM year over year change	(1) To 1%
FY 2017 CASM ex fuel – adjusted for impairment	14.5 to 15.5%
FY 2018 scheduled ASMs	11 to 15%
FY 2018 system ASMs	11 to 15%
FY 2018 CAPEX	$335m [1]
FY 2018 depreciation/AC/mo	$120k to $130k
FY 2018 maintenance/AC/mo	$95k to $105k
FY 2018 fixed fee revenue	$35m

Guidance subject to change
1 – Excludes Sunseeker resorts

Contribution of initiatives

Operating earnings annual impact -$m [1]	Original 2017E	Update 2017E	Original 2020E	Update 2020E
Fuel benefit from ASM production	$6	$6	$21	$21
Ex-fuel savings (costs)	(21)	(29)	73	73
Credit card program	10	17	45	50
eCommerce initiatives	14	10	92	92
Pricing engine	7	2	49	49
Fixed fee	5	8	20	20
186 seat modification	0	0	27	17
Fleet productivity	0	0	21	33
Total	$21m	$14m	$348m	$355

1 - 2017 and 2020 numbers are projected earnings increases over 2016
Estimates are based on various assumptions which may not materialize