Management Presentation

November 2018

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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.

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Advantages over the typical carrier

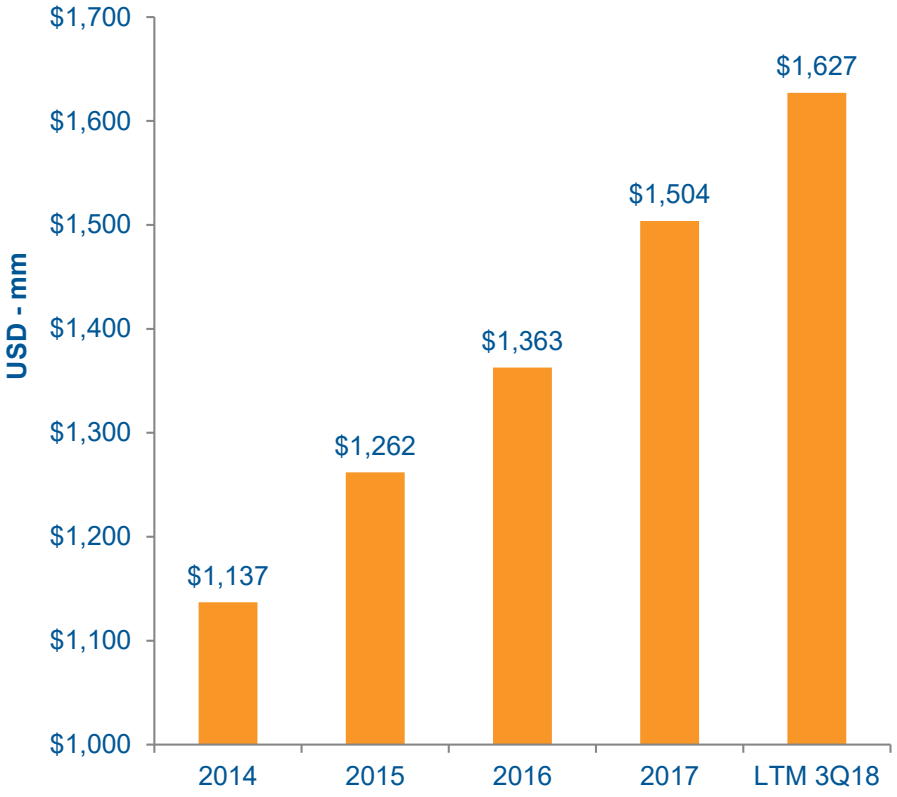
- Leisure customer
  - Will travel in all economic conditions
  - Vacations are valued – price dependent
- Small/medium cities
  - Filling a large void
  - Increasing opportunity - industry restructuring
  - Diversity of network - minimizes competition
- Flexibility
  - Adjust rapidly to changing macro (fuel/economy)
  - Changes in capacity - immediate impact on price
  - Minimize threat of irrational behavior from others
- Low cost fleet – mostly used aircraft
  - Match capacity to demand, highly variable
  - Relatively low capital needs, higher free cash flow
  - Can grow and return cash to shareholders

Built to be different
Leisure customer
Underserved markets
Little competition
Low cost aircraft
Low frequency/variable capacity
Unbundled pricing
Closed distribution
Bundled packages
Highly profitable

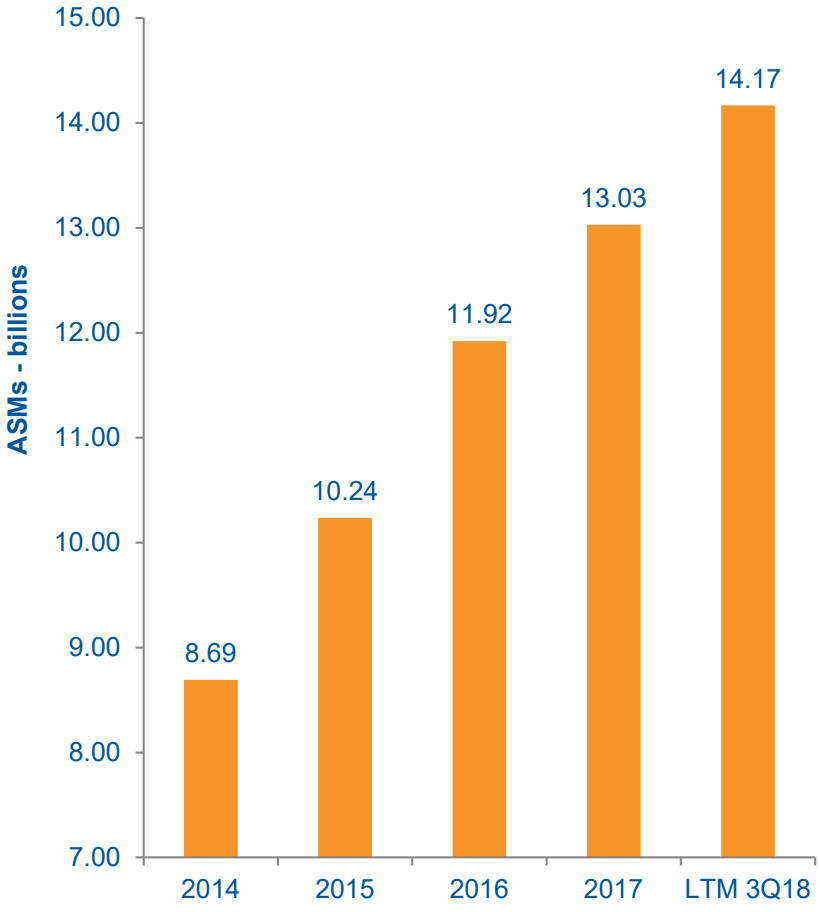
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Measured, profitable growth

Total revenue

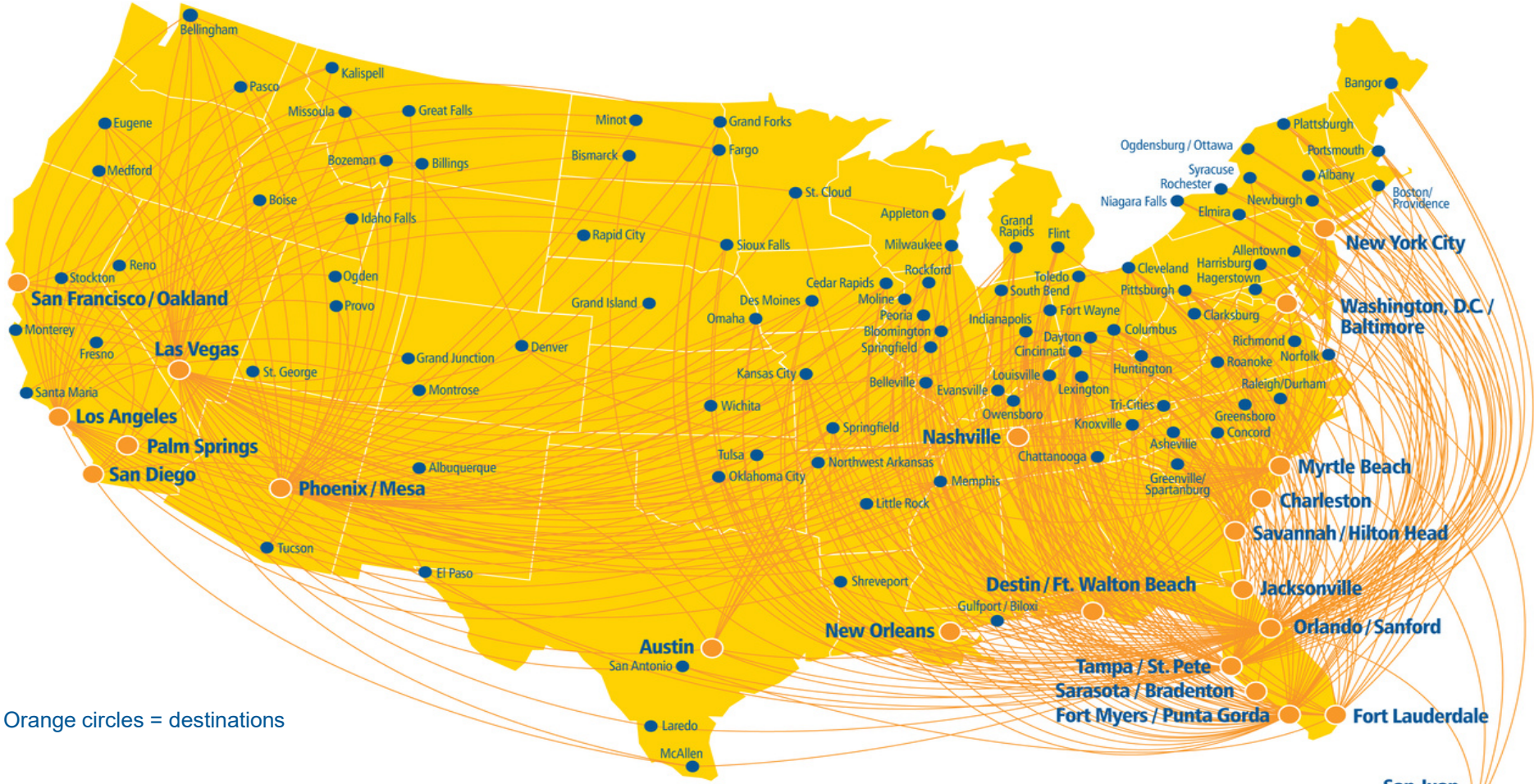


Scheduled ASMs



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A very large niche



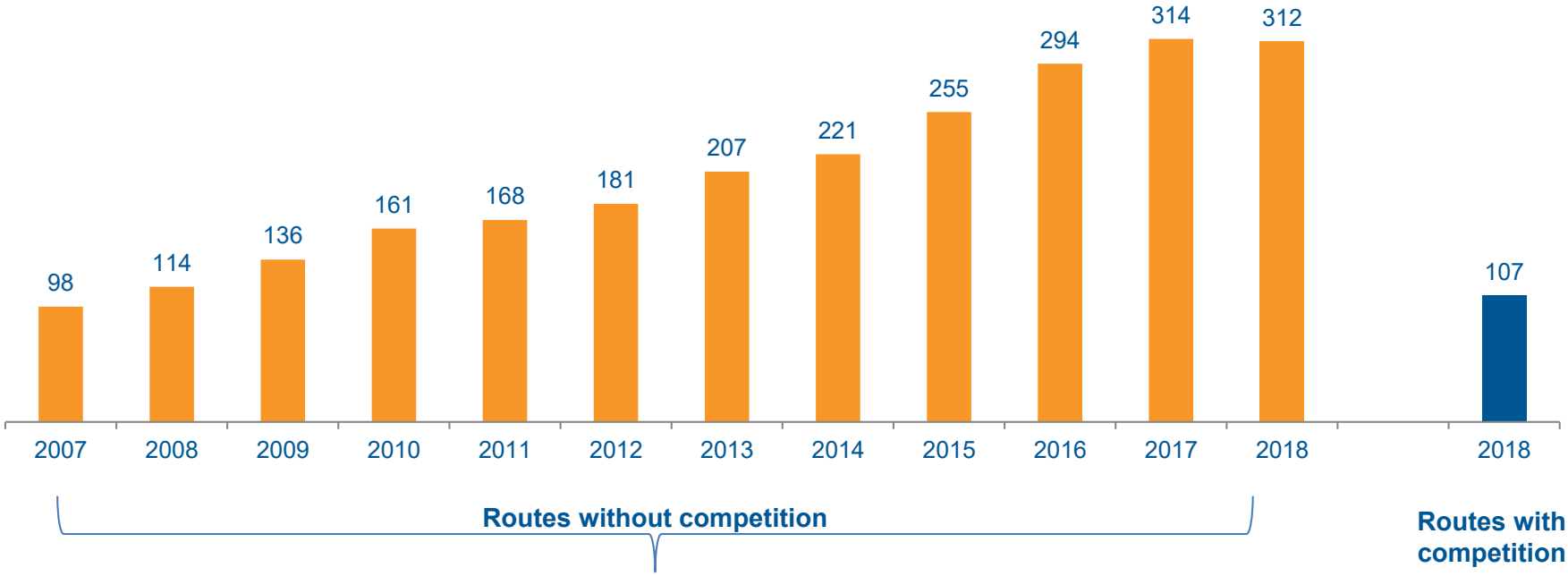
Orange circles = destinations

Based on current published schedule through May 14, 2019
419 routes, 98 small/medium cities, 23 leisure destinations

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Little competition

Historic level of non-competitive routes



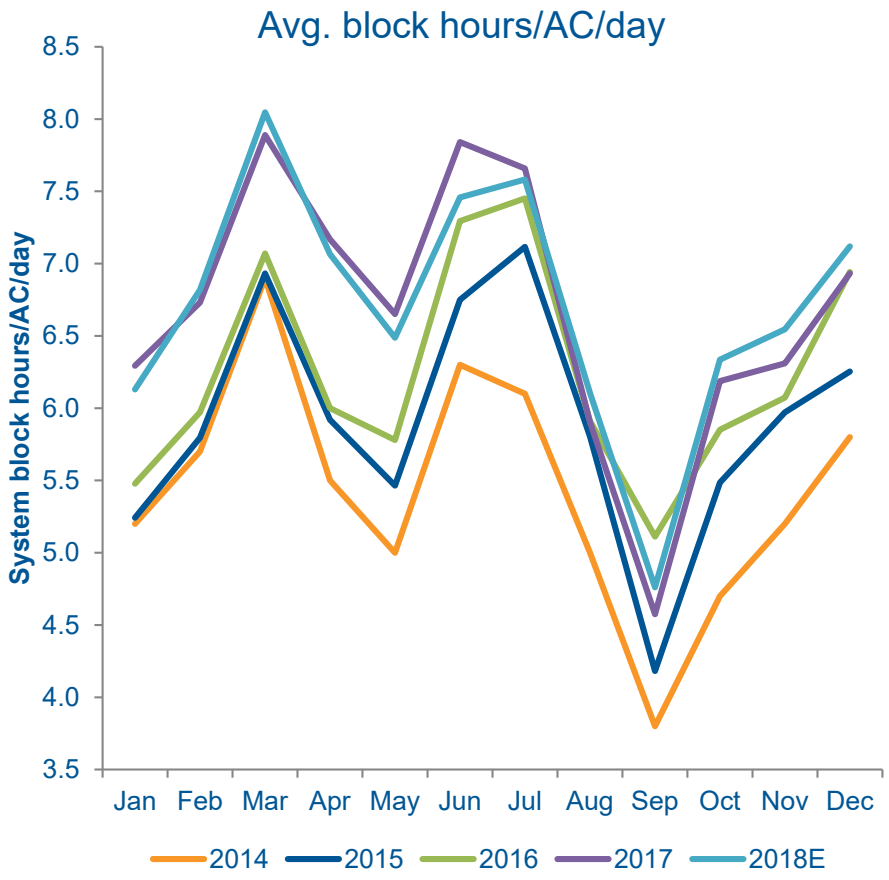
Competitors – overlapping routes					
Legacy carriers	70	Brand/lower cost carriers	8	ULCC's	73

Based on current published schedule through May 14, 2019, announcements and cancellations as of October 30, 2018
Legacy carriers – American, Delta, Southwest, United. Brand / lower cost carriers – Alaska, Hawaiian, JetBlue
ULCC carriers – Frontier, Spirit
Competitive routes are those that have non-stop flights between similar markets

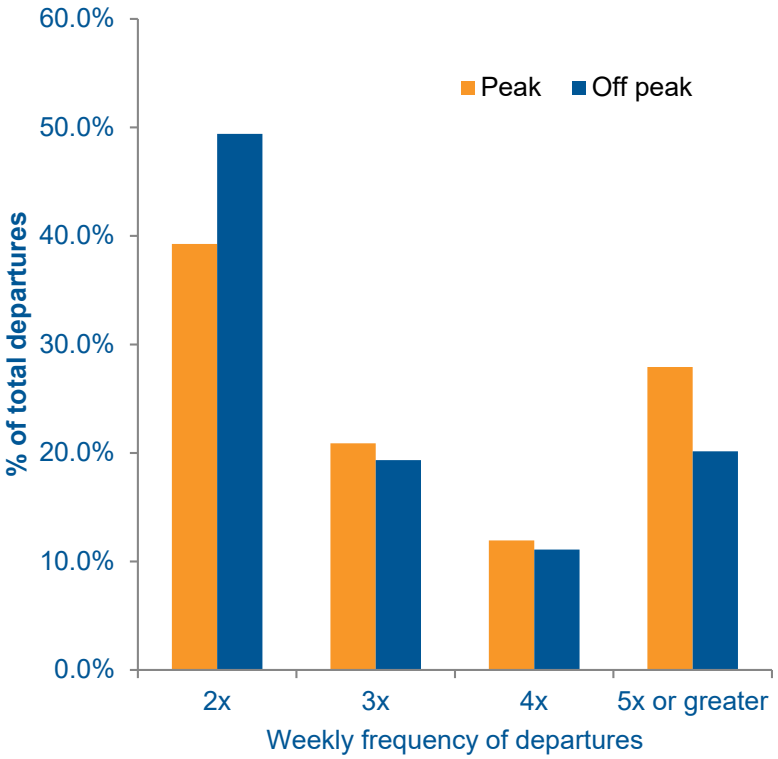
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Low frequency model

Leisure = seasonality



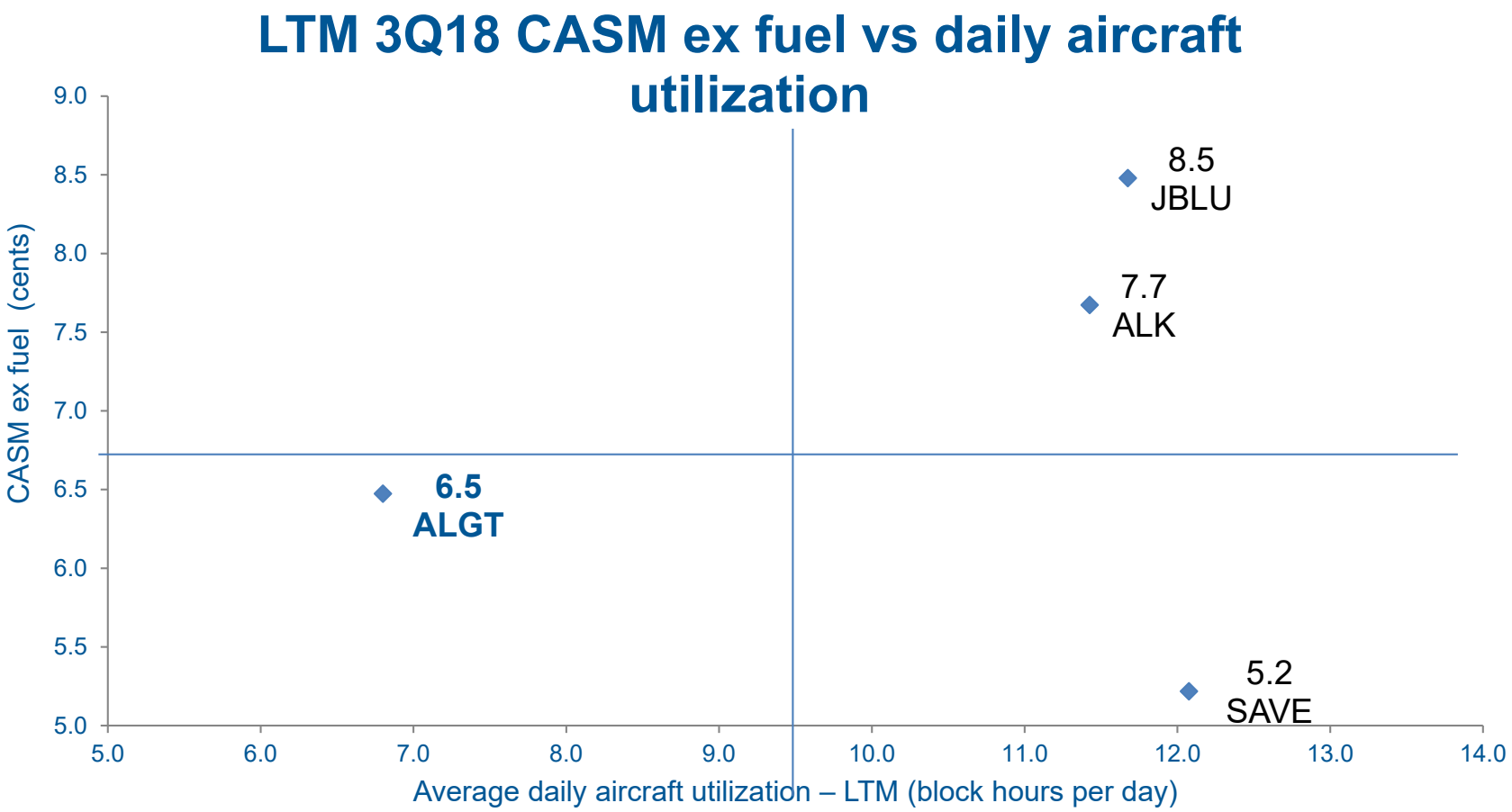
Small cities = low frequency(1)



1 - Peak = peak is defined as 11/23 – 12/1, 12/21 – 1/3, 2/18 – 4/14, 6/3 – 8/18. Remaining is off peak

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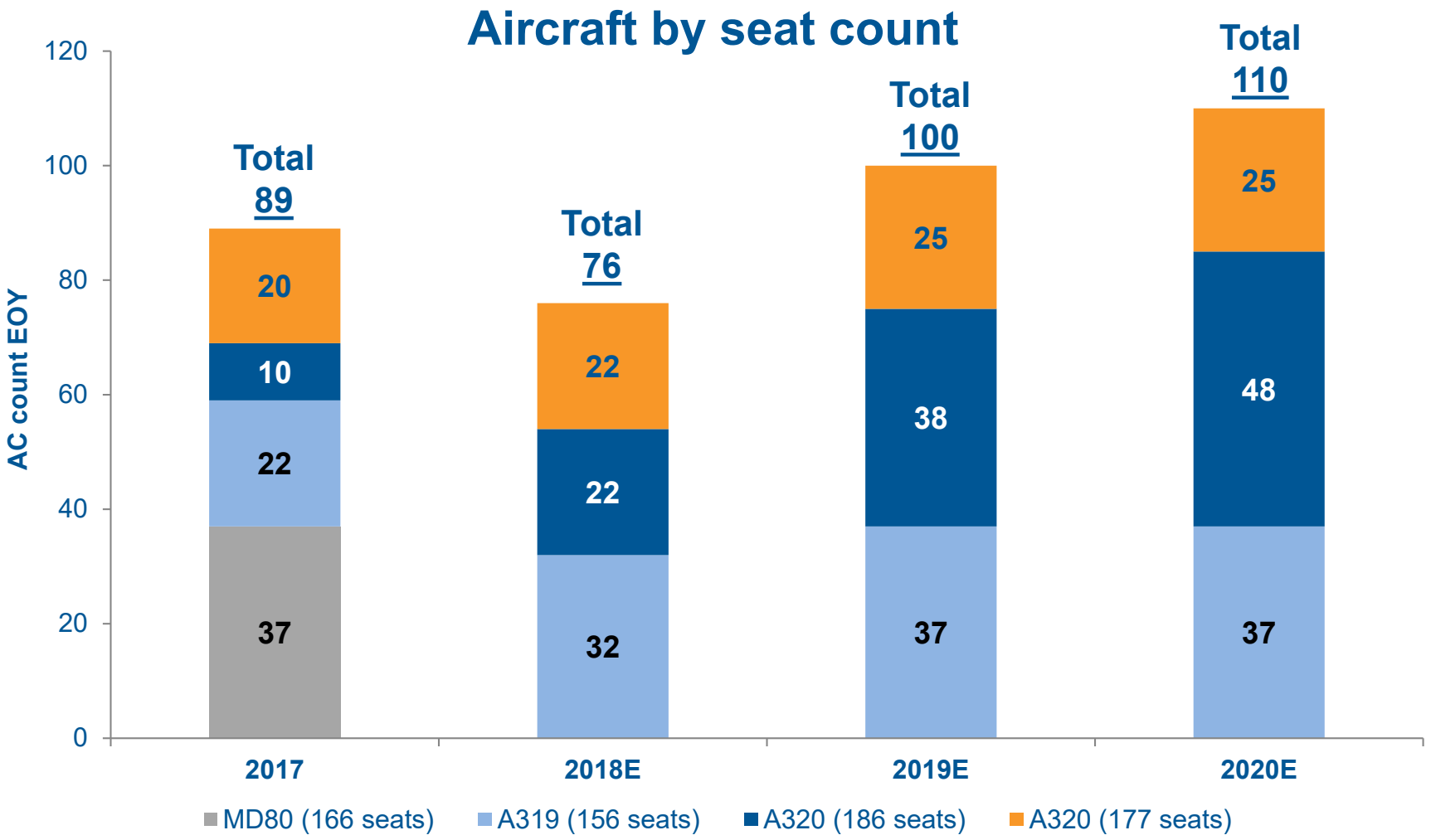
Low costs even with low utilization



As of LTM 3Q18, ALGT – Allegiant, JBLU – JetBlue, ALK – Alaska mainline, SAVE – Spirit
Allegiant is ex $35m MD-80 impairment taken in 4Q17

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Fleet plan

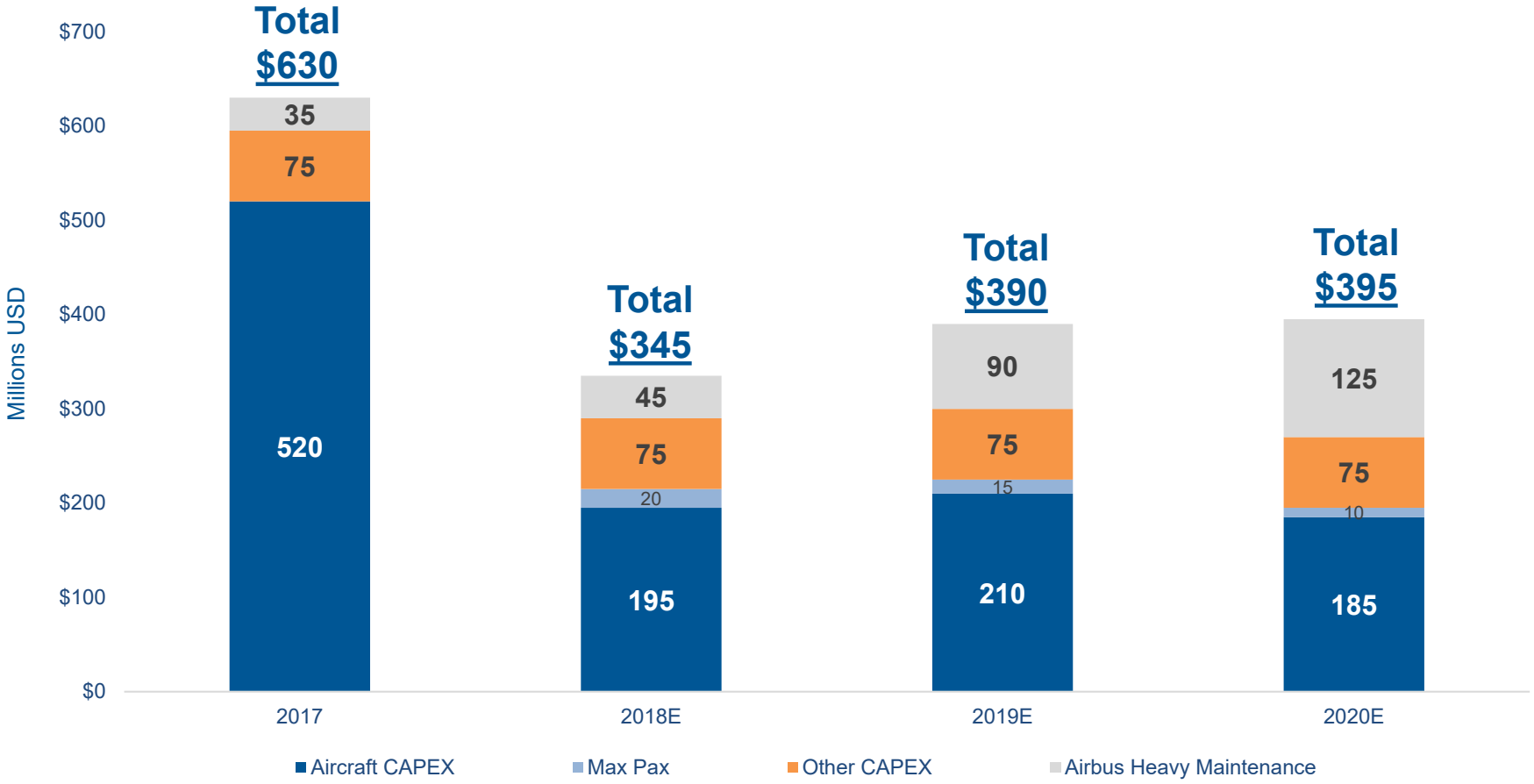


Estimated aircraft count at end of year
186 seat density project dependent on outside supply chains and could impact the schedule

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Capex & Airbus heavy maintenance

Capital expenditures ($ millions)



Estimates are based on various assumptions which may not materialize
Other Capex includes Capex for IT projects as well as other non-aircraft CAPEX
Heavy maintenance consists of Airbus heavy airframe visits and engine expenses to be capitalized

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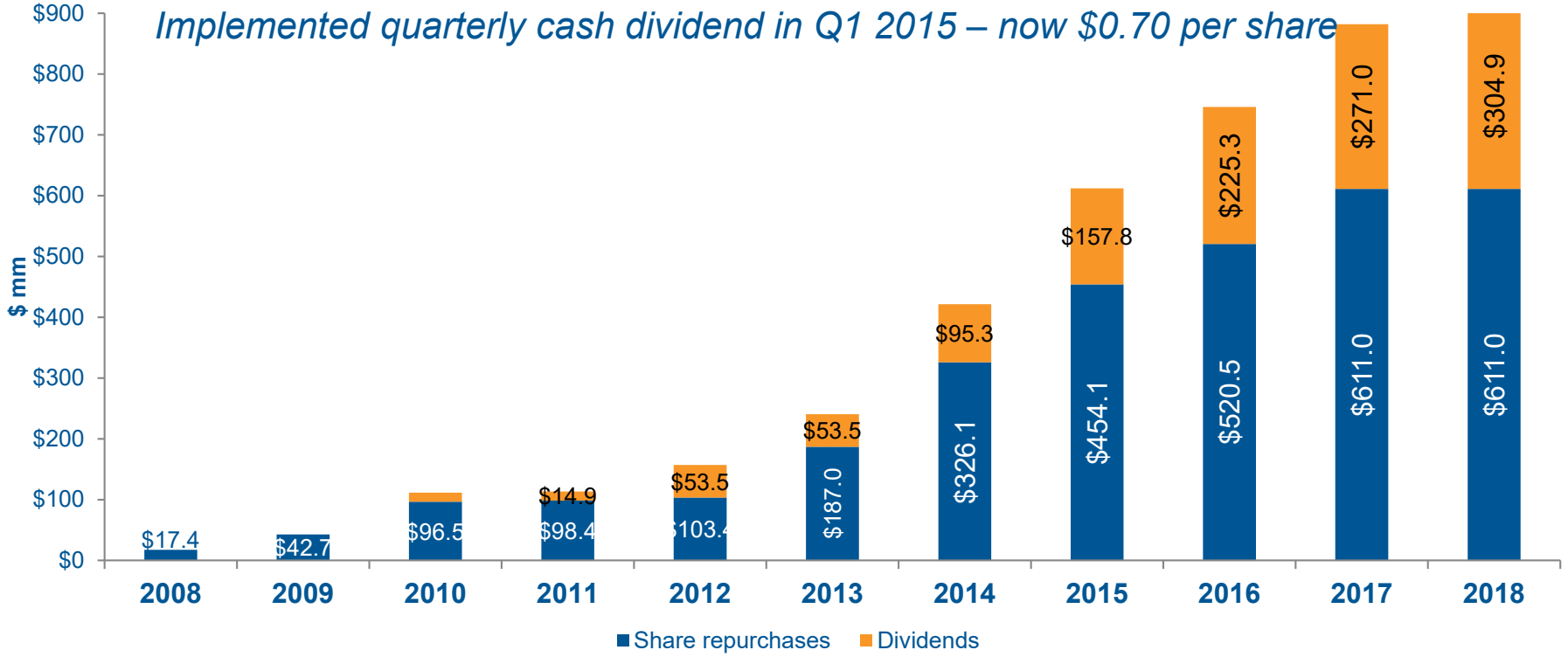
Cumulative return to shareholders

$916m returned to shareholders since 2007

$100m remaining in share repurchase authority

*Reduced diluted share count by 22% since 2007***

Implemented quarterly cash dividend in Q1 2015 – now $0.70 per share



**-Diluted share count in 2007 was 20.5m, share count for first quarter 2018 was 16m

2014 includes $42m returned through a special dividend declared in 2013 and paid in January 2014

2015 includes $44m returned through a special dividend declared in 2014 and paid in January 2015

2016 includes $28m returned through a special dividend declared in 2015 and paid in January 2016

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Unique business model and results

- Highly resilient and profitable
  - Profitable last 63 quarters (1)
  - LTM 3Q18 adjusted EBITDA $362mm (2)
  - LTM 3Q18 Return on Equity 36%(2)
- Strong balance sheet
  - Rated BB- and Ba3(3)
  - Adjusted debt/ EBITDAR 3.6x(2)
  - $34mm returned to shareholders in 2018
    - $100 mm in share repurchase authority as of 10/24/18
  - Recurring quarterly cash dividend of $0.70 per share
- Management owns >20%

(1) Excluding non-cash mark to market hedge adjustments prior to 2008 and 4Q06 one time tax adjustment
(2) See GAAP reconciliation and other calculations in Appendix
(3) Corporate rating of Ba3 by Moody's and BB- by Standard & Poor's

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Existing guidance - 2018

- **2018 FY EPS $9 to 10 per share**
- FY 18 ASMs per gallon 77.5 to 78.5
- FY 18 interest expense $50mm to $60mm
- FY 18 tax rate 18% to 19%
- FY 18 share count 15.9m
- FY 18 CAPEX $345mm (excludes Sunseeker resort)
- FY 18 maintenance per aircraft per month $90 to $95 thousand
- FY 18 ownership cost* per aircraft per month $115 to $120 thousand

	4th Quarter 2018	Full year 2018
System ASMs	4 to 6%	9.5 to 10.5%
Scheduled ASMs	4 to 6%	9.5 to 10.5%

Guidance subject to change

* - Ownership cost includes both depreciation and amortization as well as aircraft rental expense

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Appendix

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GAAP reconciliation

EBITDA calculations

$mm	LTM 3Q18	2017	2016	2015
Operating income as reported (GAAP)	203.7	227.2	370.6	371.7
+Depreciation and Amortization	121.7	121.7	105.2	98.1
=EBITDA	**325.4**	**348.9**	**475.8**	**469.8**
+ Write down of MD-80 fleet	**35.3**	**35.3**		
=Adjusted EBITDA	**360.7**	**384.2**	**475.8**	**469.8**
+ Aircraft lease rental	0.8	3.1	0.9	2.3
=EBITDAR	**361.5**	**387.3**	**476.7**	**472.1**
Total debt	1,313.1	1,164.9	808.2	641.7 [2]
+7 x annual aircraft lease rent	5.6	21.7	6.3	16.1
Adjusted total debt	1,318.7	1,186.6	814.5	657.8
=Adjusted Debt to EBITDAR	**3.6x**	**3.1x**	**1.7x**	**1.4x**
Average # of in service aircraft in period	92	87	83	74
=EBITDA per aircraft	**3.9**	**4.4**	**5.7**	**6.4**
Interest expense	51.9	39.0	28.8	26.5
= Interest coverage	**6.9x**	**9.9x**	**16.5x**	**17.7x**

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GAAP reconciliation

Return on equity

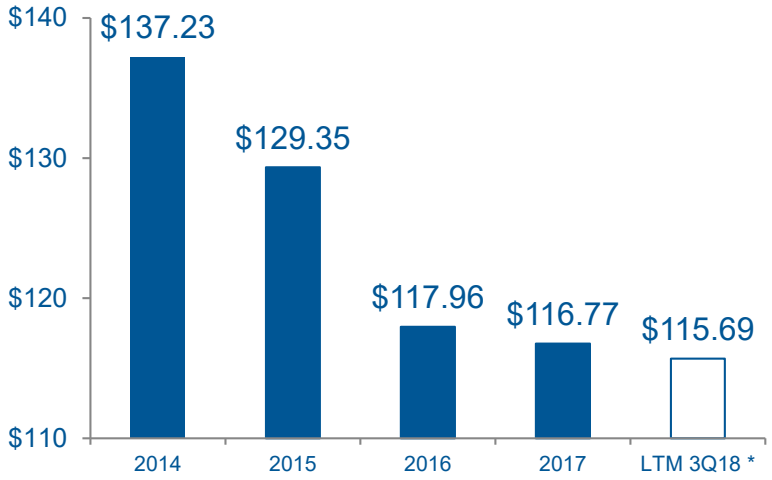
$mm	LTM 3Q18	2017	2016	2015
Net Income as reported (GAAP)	200.5	194.9	219.6	220.4

	Sep 2018	Sep 2017	Dec 2017	Dec 2016	Dec 2015	Dec 2014
Total shareholders equity	652.3	473.8	551.8	473.6	350.0	294.1
Return on equity	**36%**		**38%**	**53%**	**68%**	

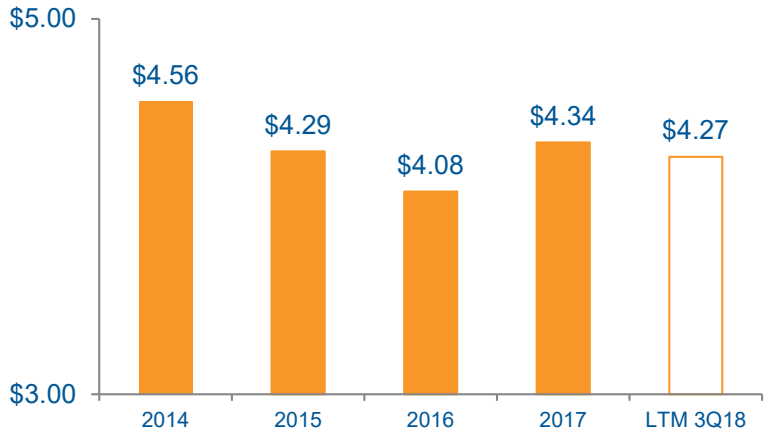
ROE = Net income / Avg shareholders equity

Revenue components

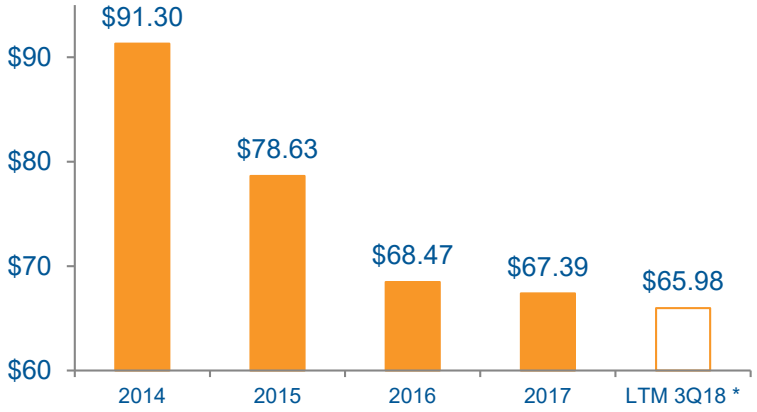
Average fare - total



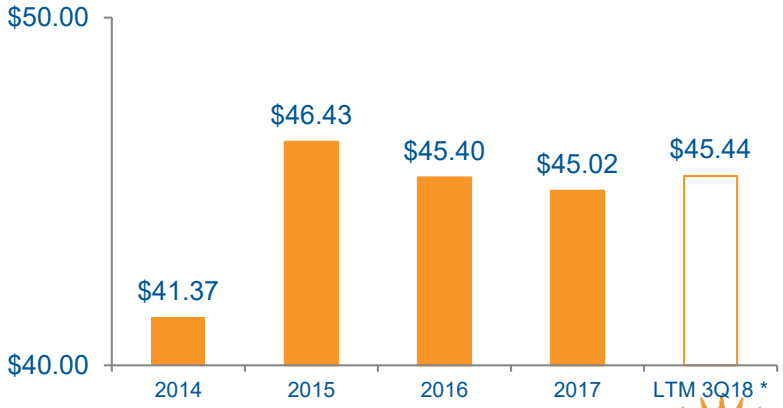
Average fare - ancillary third party products



Average fare - scheduled service



Average fare - ancillary air-related charges



All revenue is revenue per scheduled passenger

* - Reflects division of passenger revenue between scheduled service and air-related charges in Company's booking path

2018 labor cost drivers

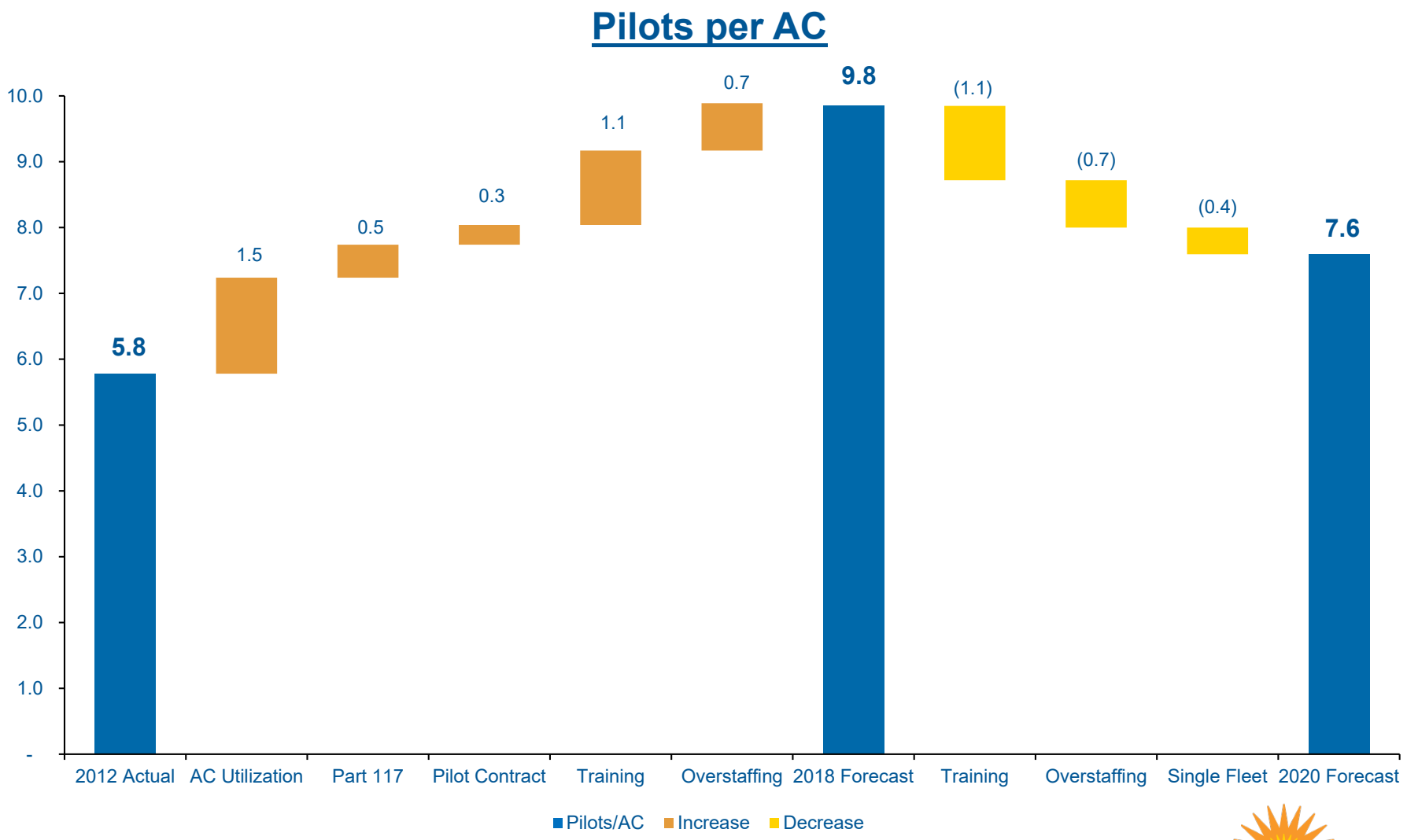
- Flight attendant agreement
  - 5 year contract
  - Estimated 2018 ~$8m
  - Estimated 5yr impact ~$57m
  - Contract approved end of Dec 2017

Contract rate increases

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

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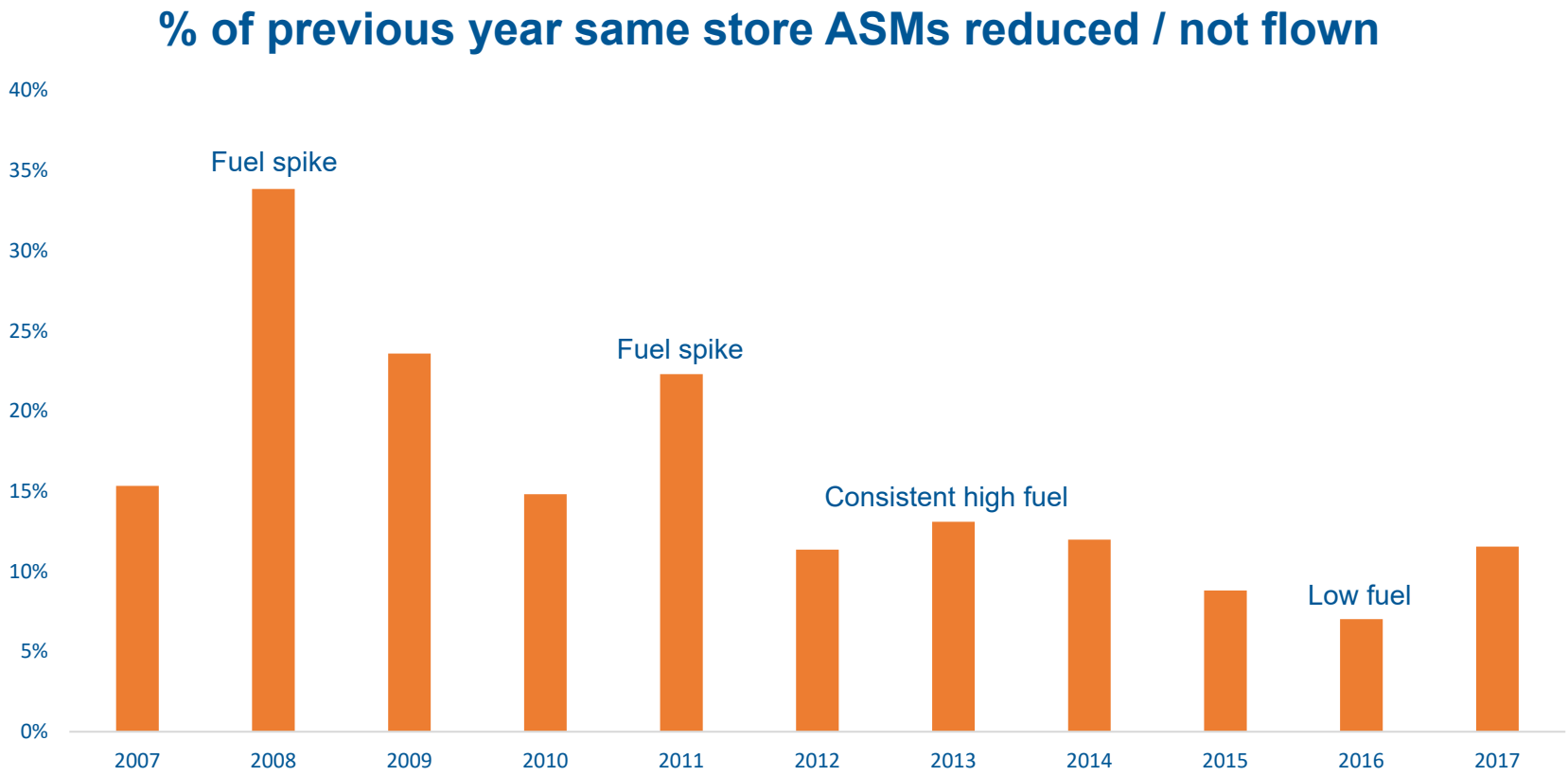
Pilot normalization



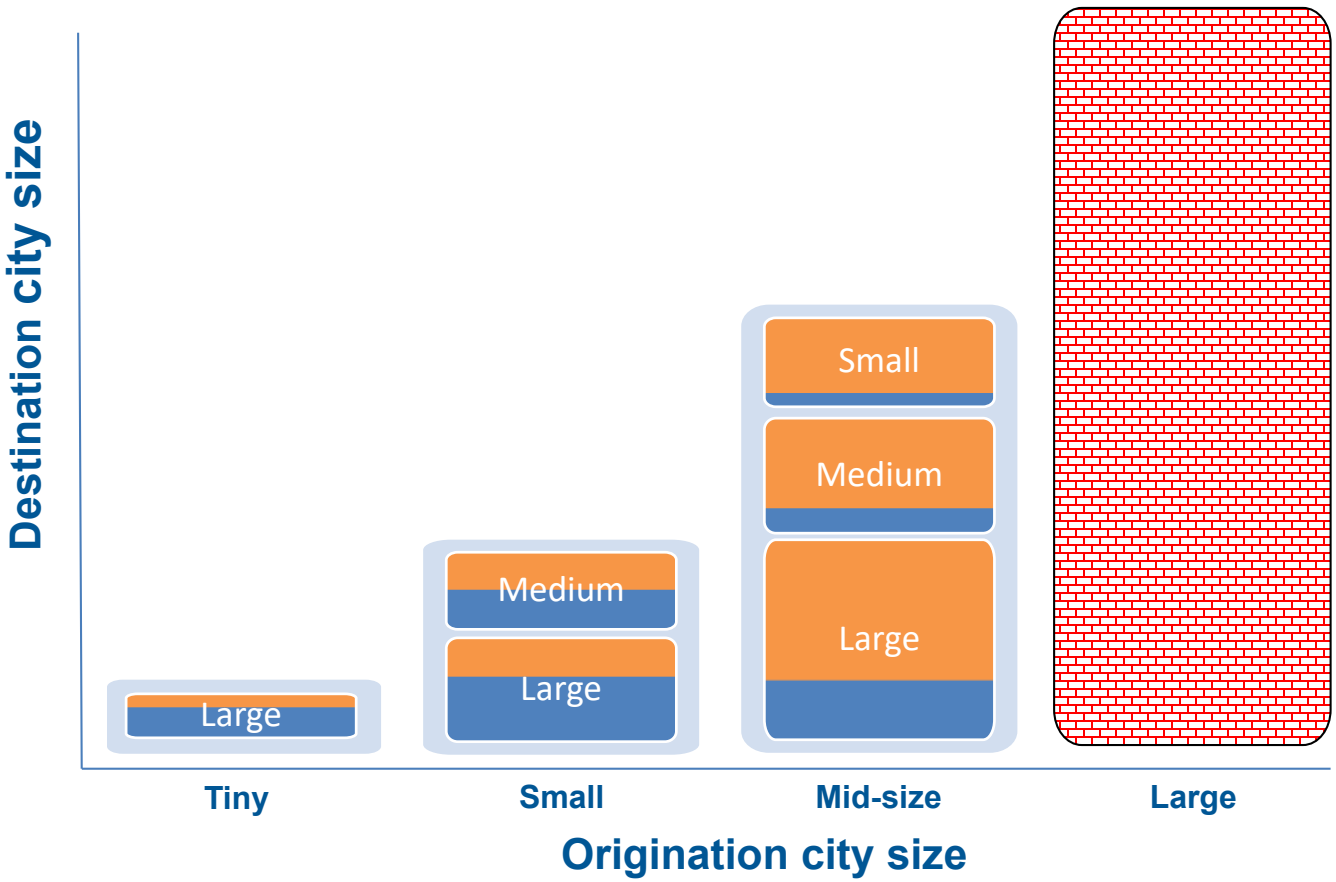
2018 numbers are estimates

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 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

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Contribution of initiatives

Operating earnings annual impact -$m [1]	Original 2017	Actual 2017	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	$355m

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