Management Presentation

August 2019

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Travel is our deal.

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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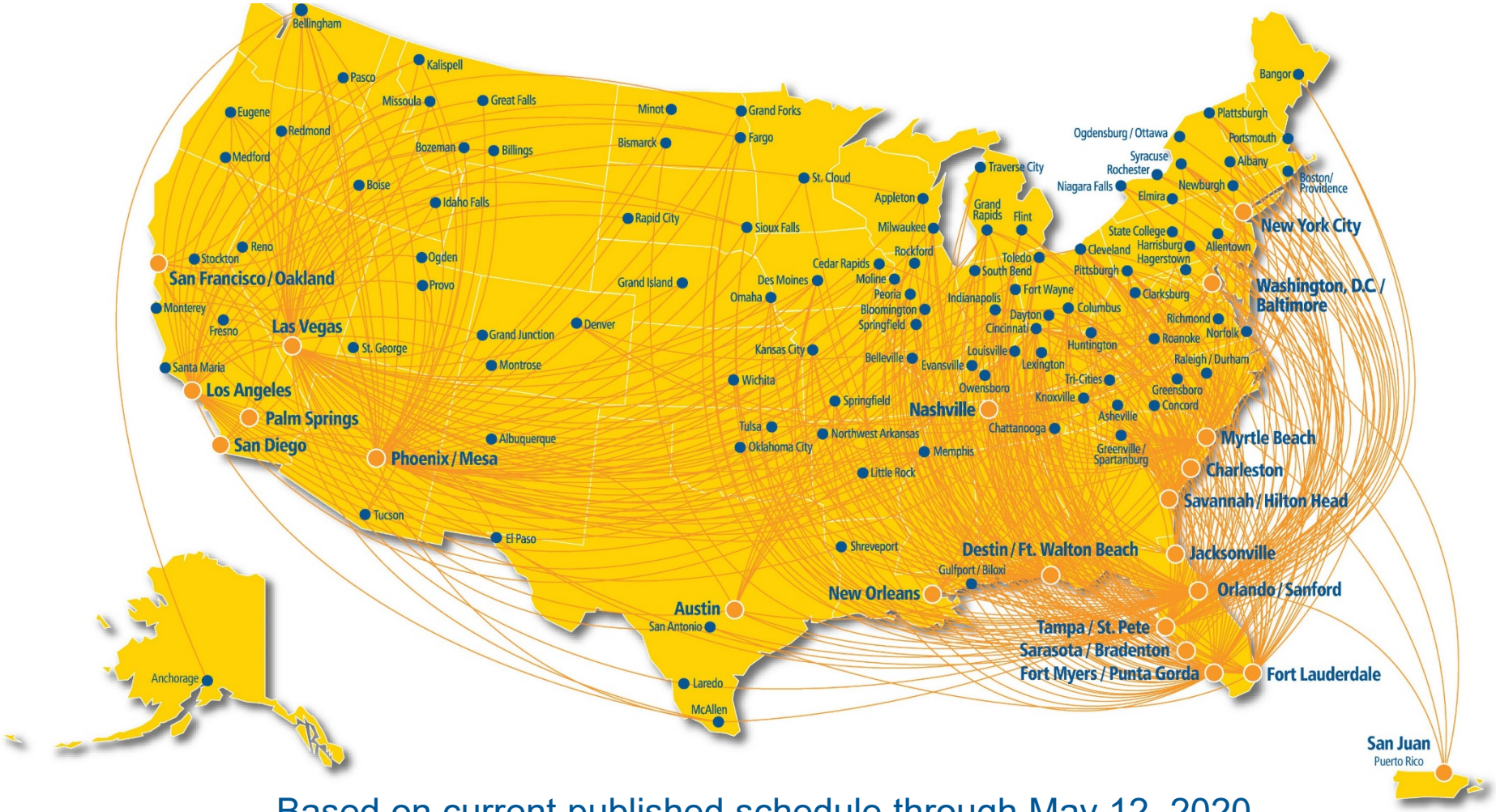
Advantages over the typical carrier

- 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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A very large niche



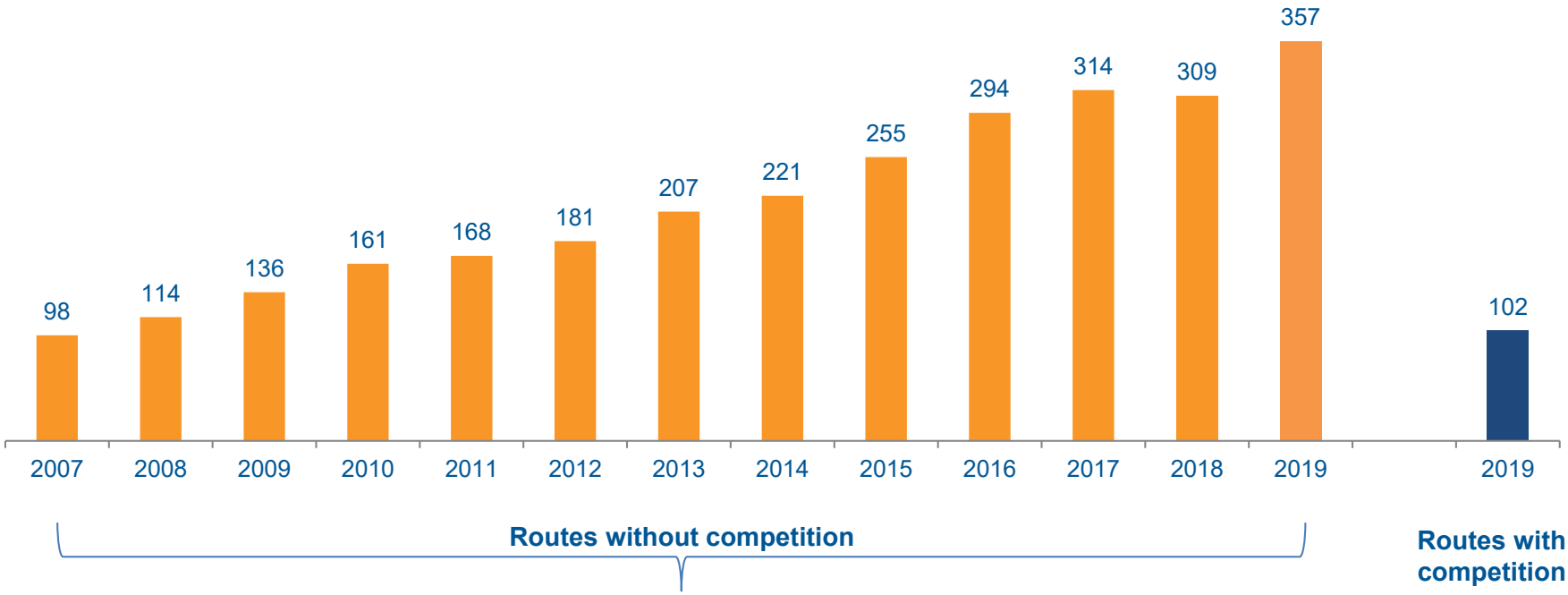
Based on current published schedule through May 12, 2020
459 routes, 98 small/medium cities, 26 leisure destinations

Orange circles = destinations

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Little competition

Historic level of non-competitive routes



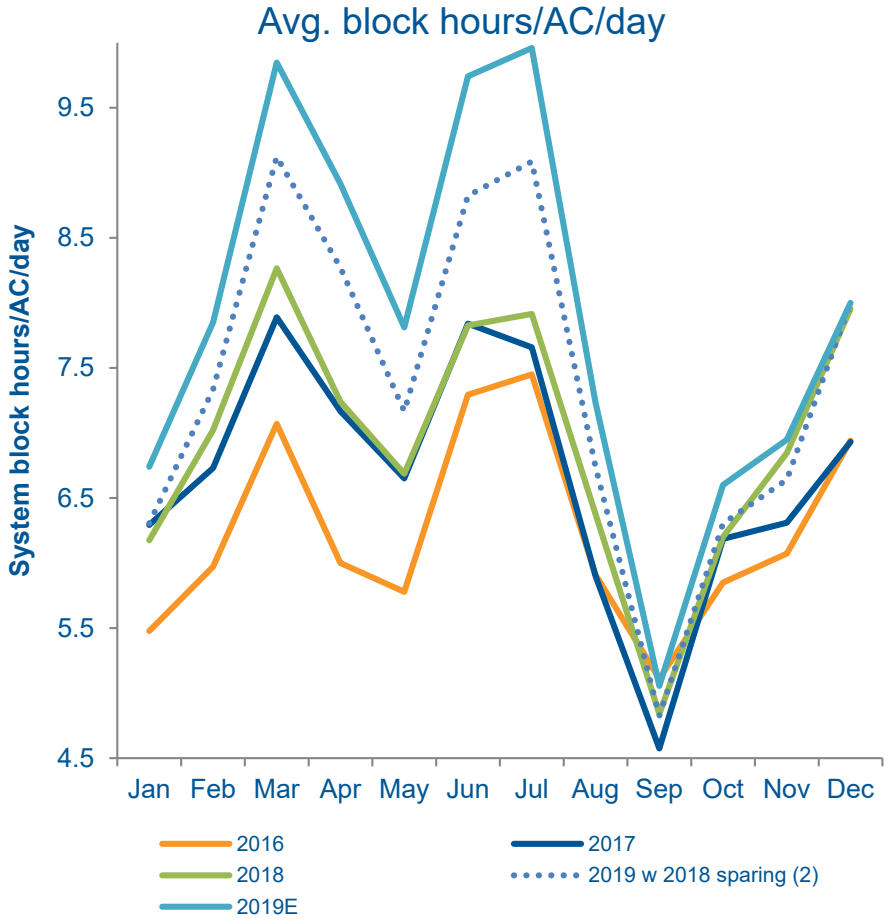
Competitors – overlapping routes					
Legacy carriers	70	Brand/lower cost carriers	9	ULCC's	74

Based on current published schedule through May 12, 2020, announcements and cancellations as of July 29, 2019
Legacy carriers – American, Delta, Southwest, United. Brand / lower cost carriers – Alaska, Hawaiian, JetBlue
ULCC carriers – Frontier, Spirit, Sun Country
Competitive routes are those that have non-stop flights between similar markets

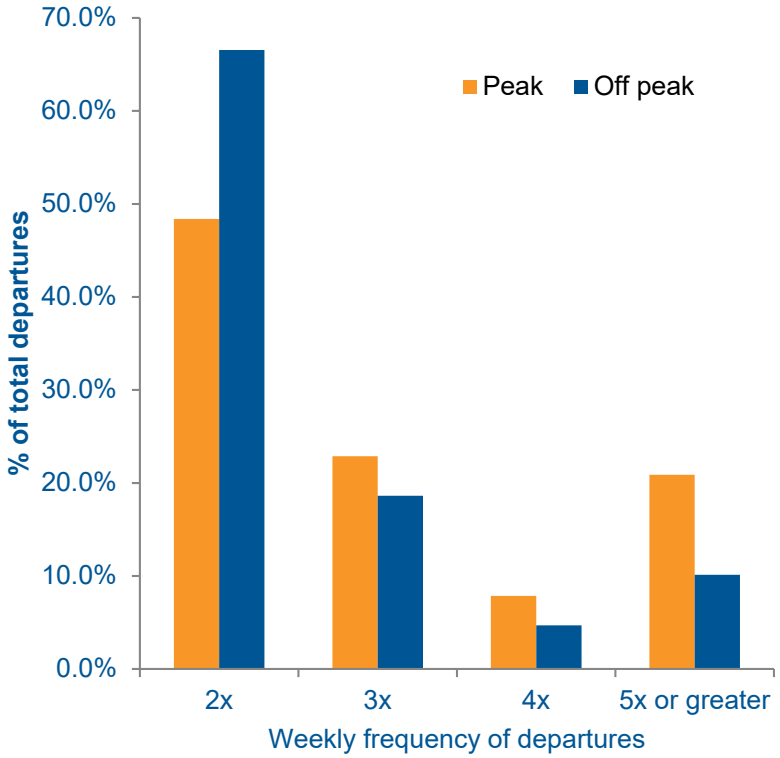
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Low frequency model

Leisure = seasonality



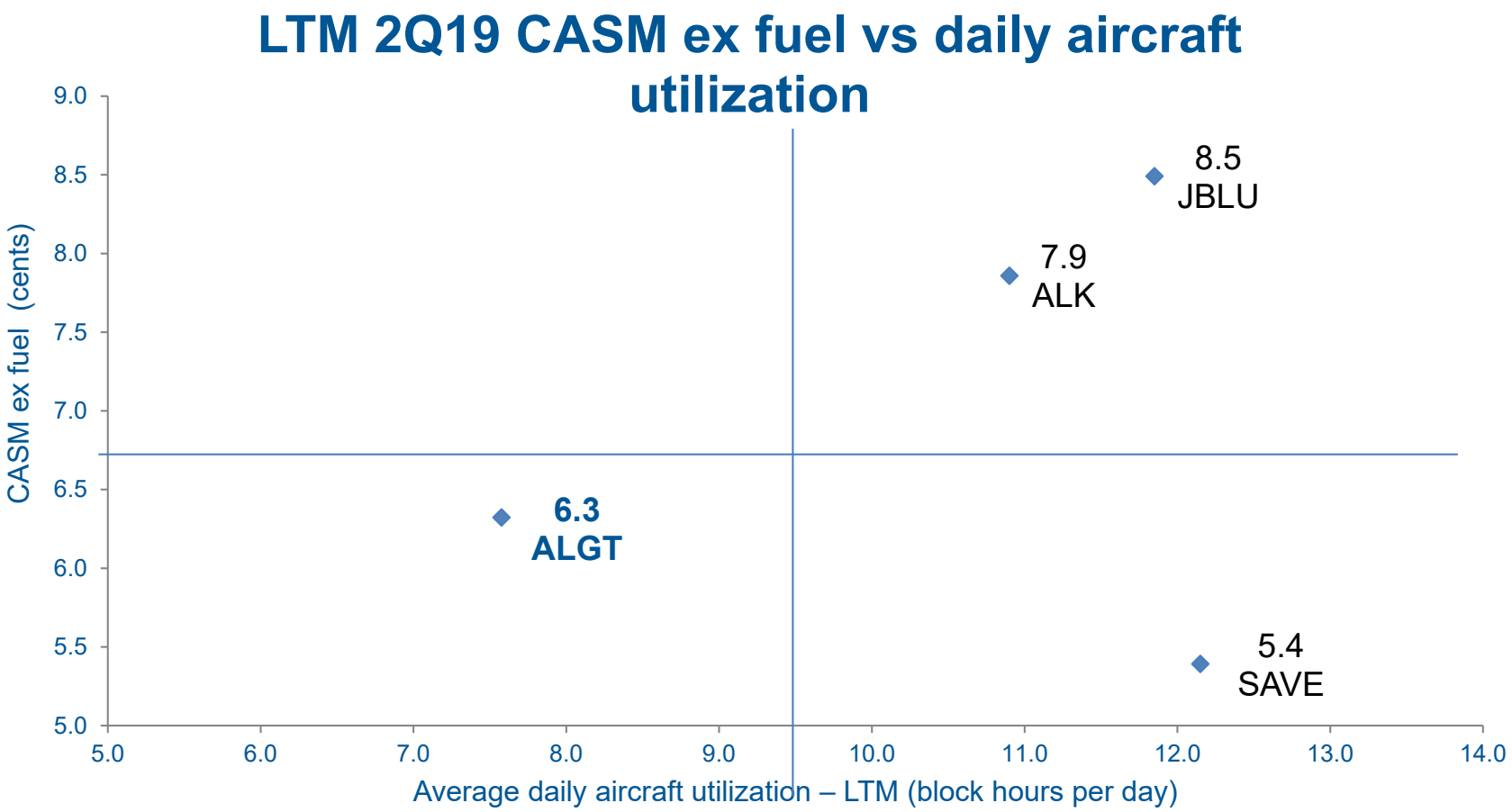
Small cities = low frequency(1)



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
2 – Demonstrates the aircraft utilization if 2019 spare count was at 2018 levels

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Low costs even with low utilization

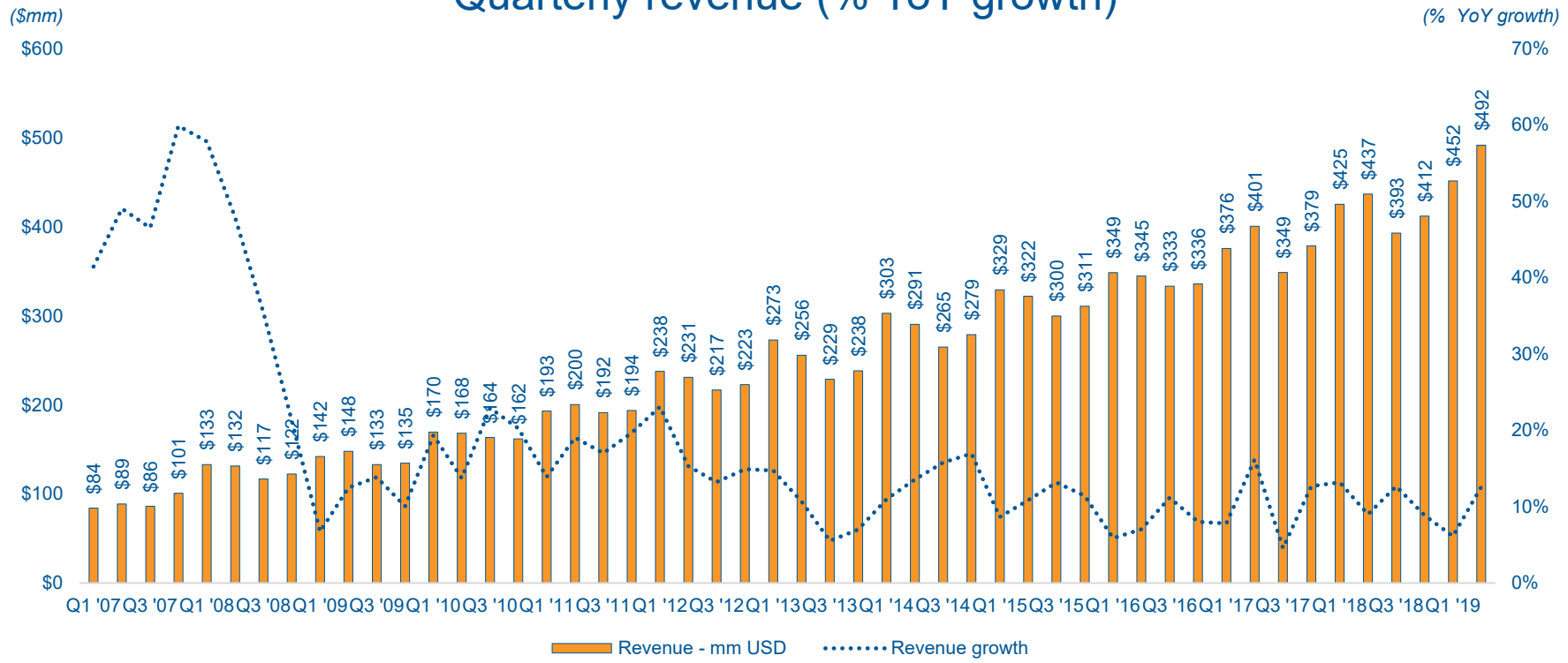


As of LTM 2Q19, ALGT – Allegiant, JBLU – JetBlue, ALK – Alaska mainline, SAVE – Spirit
Allegiant excludes non airline costs

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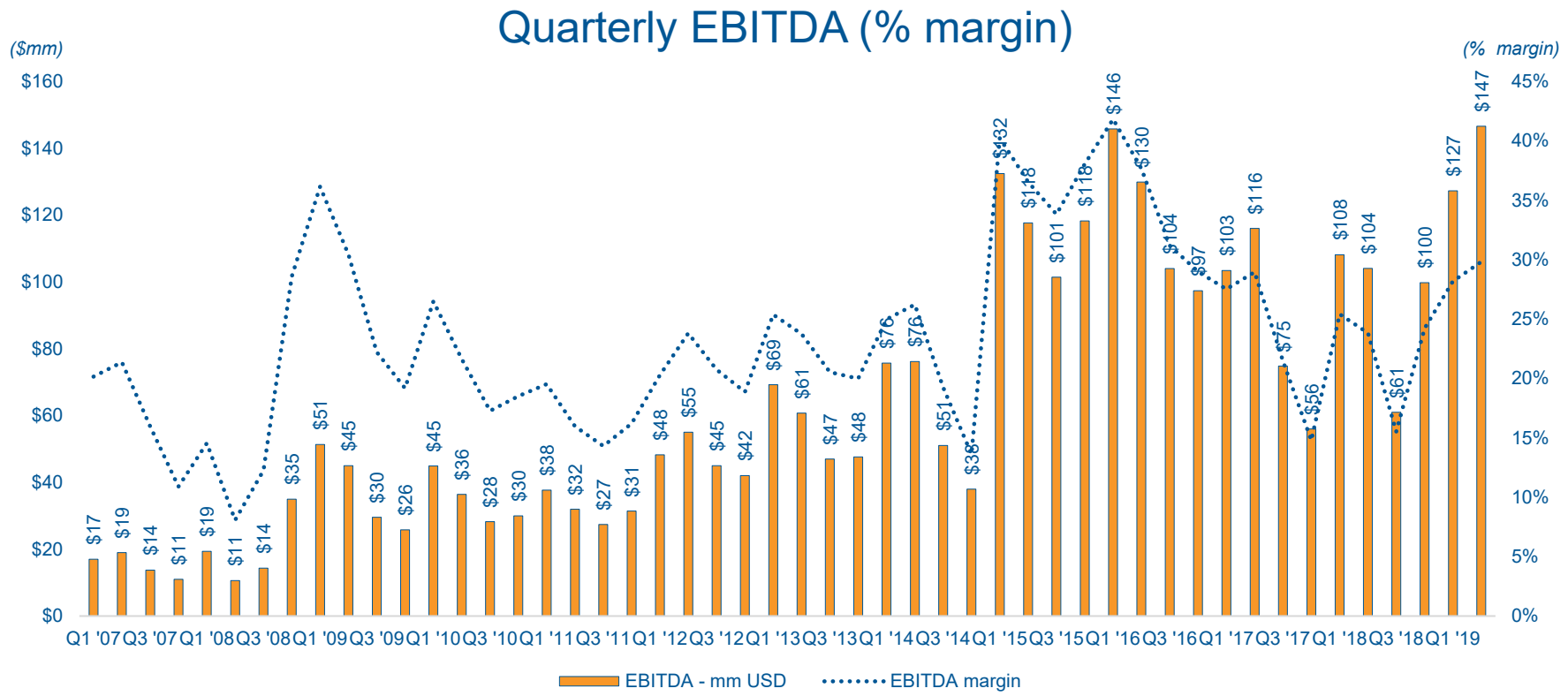
Revenue growth every quarter through good times and bad…

Quarterly revenue (% YoY growth)



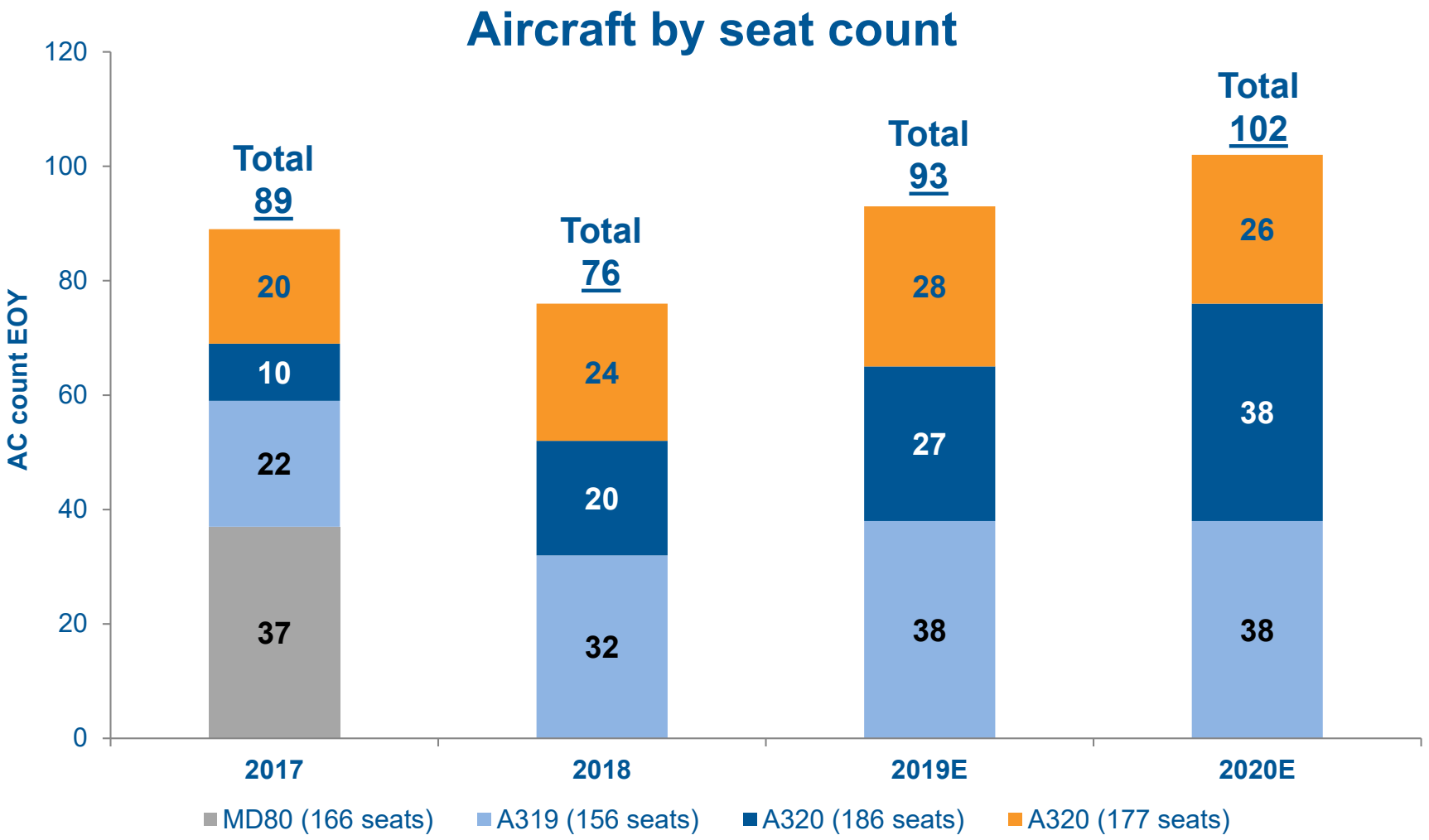
| | | |

… With strong EBITDA margins



| | | |

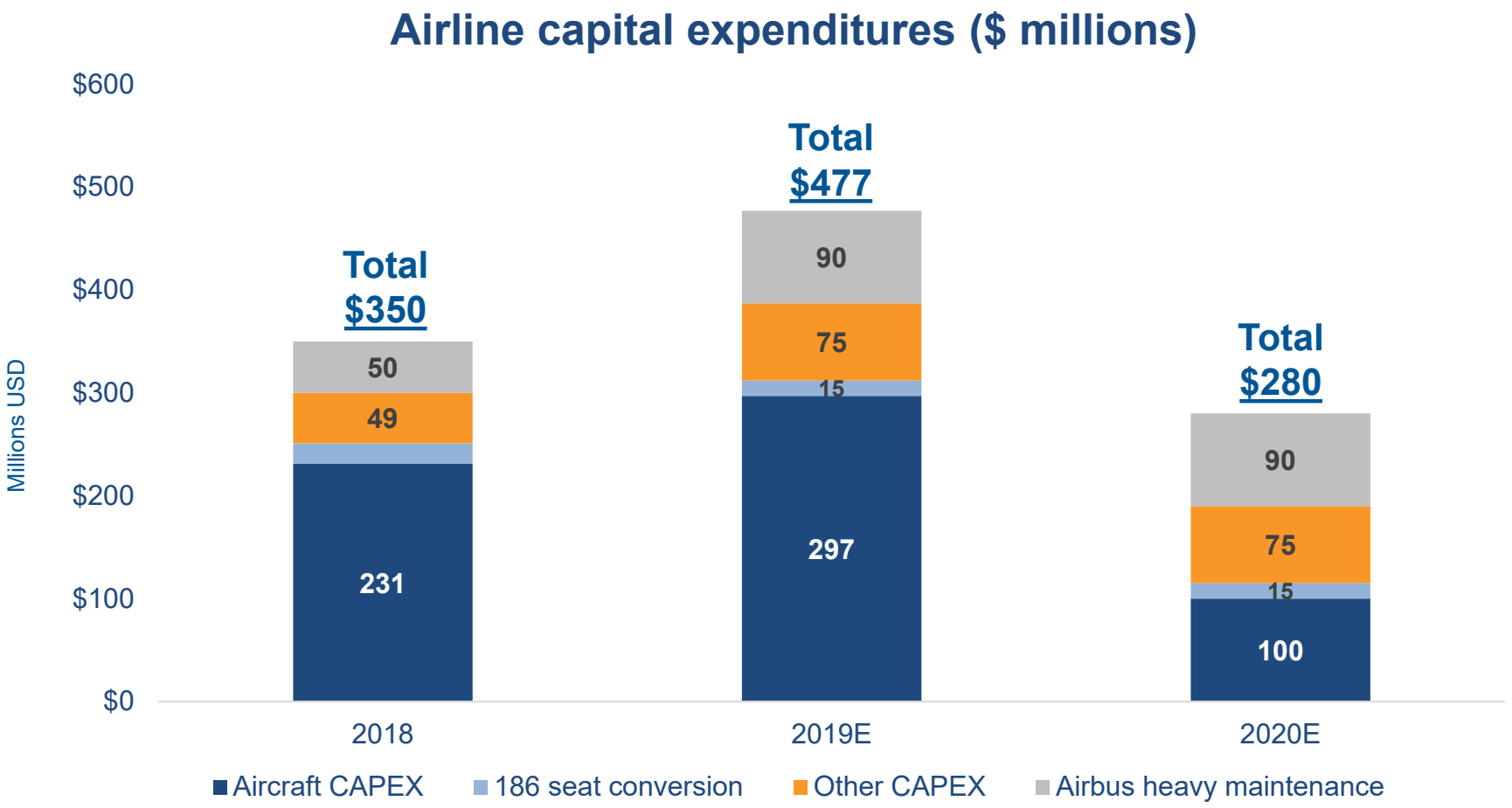
Fleet plan



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



Estimates are based on various assumptions which may not materialize
2019 is based on mid point of guided range
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
Does not include non-airline CAPEX which includes Sunseeker Resorts or Family Entertainment Centers

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Sunseeker Resorts

- Resort
  - 510 hotel rooms
  - 189 suites
- Robust food and beverage
- Large ballroom space
- 3,000 ft. seawall w public promenade
- 15 min drive from airport



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Unique business model and results

- Highly resilient and profitable
  - Profitable last 66 quarters (1)
  - LTM 2Q19 EBITDA $435mm (2)
  - LTM 2Q19 Return on Equity 25%(2)
- Strong balance sheet
  - Rated BB- and Ba3(3)
  - Adjusted debt/ EBITDAR 3.4x(2)
  - $45mm returned to shareholders in 2018
    - $100 mm in share repurchase authority as of 7/24/19
  - 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 - 2019

- **2019 FY EPS $13.50 to $14.25 per share**
- FY 19 airline CASM ex growth (4) to (3)%
- FY 19 ASMs per gallon 82.0 to 83.0
- FY 19 interest expense $75mm to $80mm
- FY 19 effective tax rate 23% to 24%
- FY 19 share count 15.9m
- FY 19 airline CAPEX $385mm to $390mm*
- FY 19 capitalized Airbus deferred heavy maintenance $85mm to $95mm
- FY 19 depreciation expense $155mm to $160mm

	3rd Quarter 2019	Full year 2019
System ASMs	5 to 7%	8 to 9%
Scheduled ASMs	5 to 7%	8 to 9%

Guidance subject to change
* Excludes deferred heavy maintenance, Sunseeker Resorts and non-airline capex

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Sunseeker guidance - 2019

Sunseeker Resorts

- Project spend to date - $67mm
- Expected 2019 spend - $150 to $175mm
- Total project spend remaining - $403mm

Guidance subject to change

Appendix

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GAAP reconciliation

EBITDA calculations

$mm	LTM 2Q19	2018	2017	2016	2015
Operating income as reported (GAAP)	288.5	243.5	227.2	370.6	371.7
+Depreciation and Amortization	146.1	129.4	121.7	105.2	98.1
=EBITDA	**434.6**	**372.9**	**348.9**	**475.8**	**469.8**
+ Write down of MD-80 fleet			**35.3**		
=Adjusted EBITDA	**434.6**	**372.9**	**384.2**	**475.8**	**469.8**
+ Aircraft lease rental	.8	0.9	3.1	0.9	2.3
=EBITDAR	**435.4**	**373.8**	**387.3**	**476.7**	**472.1**
Total debt	1,499.2	1,271.7	1,164.9	808.2	641.7[2]
+Operating leases (2019) or 7 x annual aircraft lease rent	0.0	6.3	21.7	6.3	16.1
Adjusted total debt	1,499.2	1,278.0	1,186.6	814.5	657.8
=Adjusted Debt to EBITDAR	**3.4x**	**3.4x**	**3.1x**	**1.7x**	**1.4x**
Average # of in service aircraft in period	87	91	87	83	74
=EBITDA per aircraft	**5.0**	**4.1**	**4.4**	**5.7**	**6.4**
Interest expense	66.6	53.8	39.0	28.8	26.5
= Interest coverage	**6.5x**	**6.9x**	**9.9x**	**16.5x**	**17.7x**

GAAP reconciliation

Return on equity

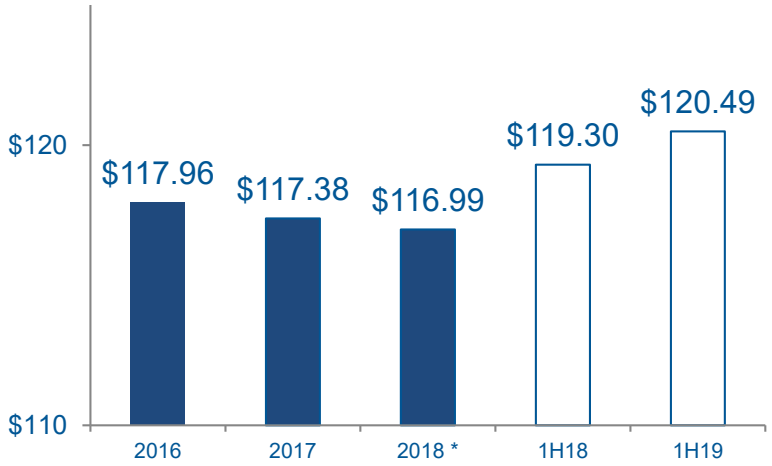
$mm	LTM 2Q19	2018	2017	2016	2015
Net Income as reported (GAAP)	184.3	161.8	198.1	220.9	

	Jun 2019	Jun 2018	Dec 2018	Dec 2017	Dec 2016	Dec 2015
Total shareholders equity	804.5	644.7	690.3	553.3	473.6	350.0
Return on equity		**25%**	**26%**	**36%**	**54%**	

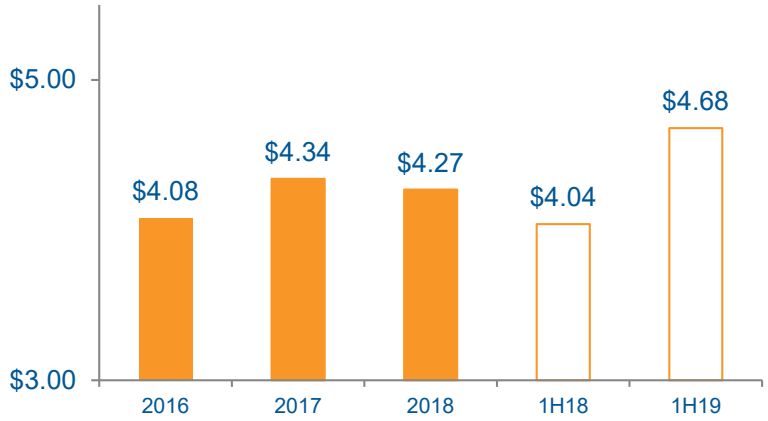
ROE = Net income / Avg shareholders equity

Revenue components

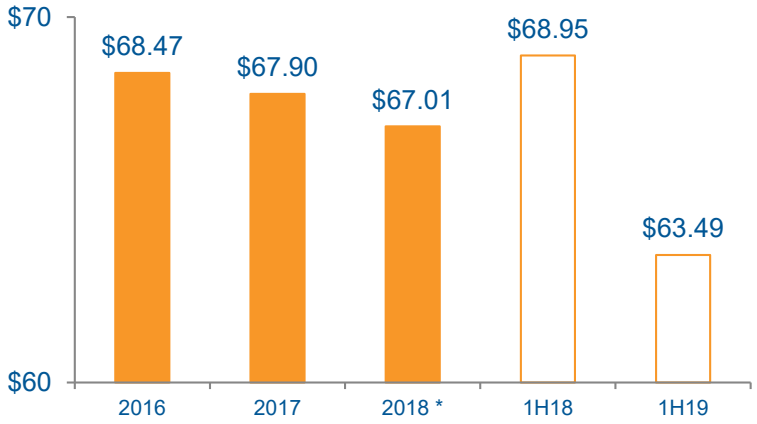
Average fare - total



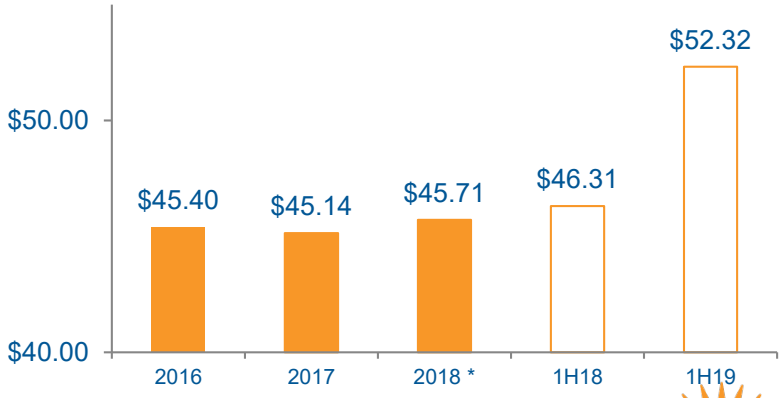
Average fare - ancillary third party products



Average fare - scheduled service



Average fare - ancillary air-related charges



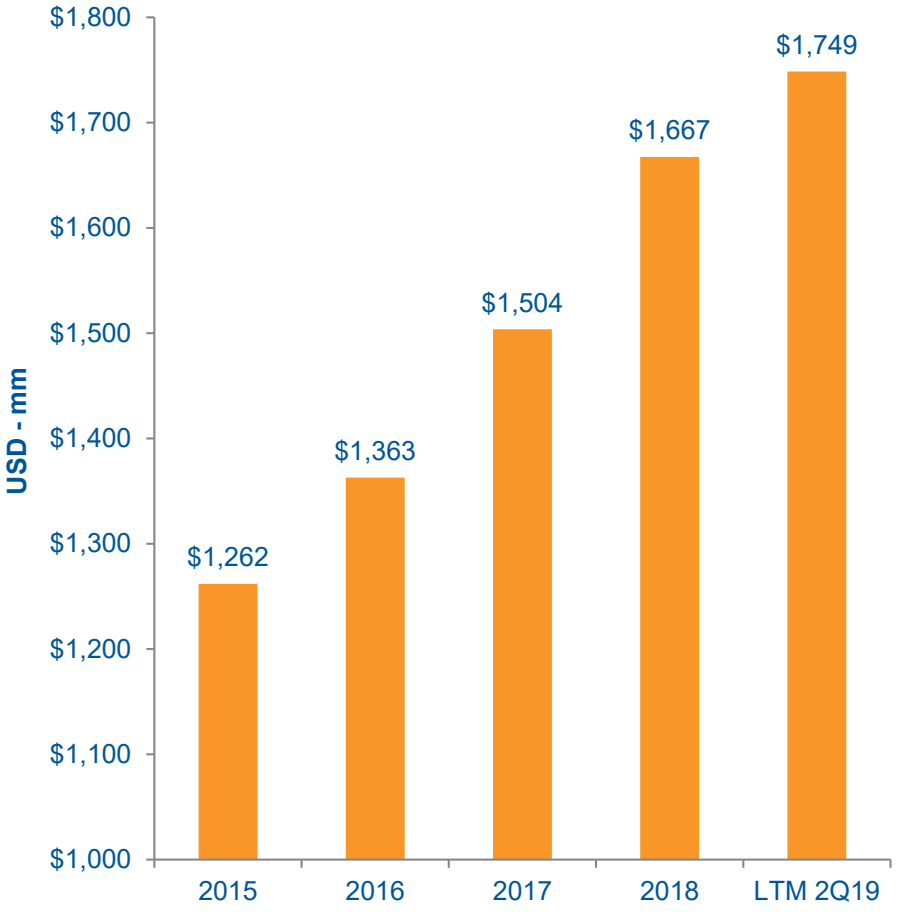
All revenue is revenue per scheduled passenger

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

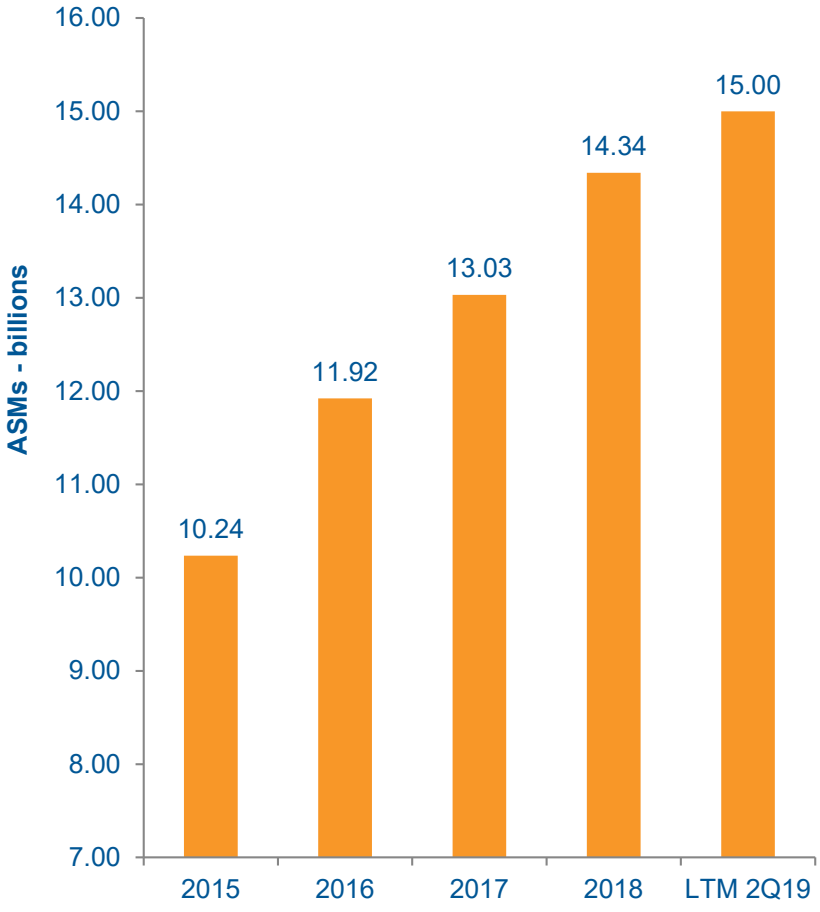
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Measured, profitable growth

Total revenue



Scheduled ASMs



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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

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