

allegiant®

Fleet Update

January 6, 2022

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.

737 MAX joins Allegiant's fleet

Boeing 737-7 and 737-8-200

- 50 firm aircraft
- 50 options

CFM International LEAP-1B

- Six Spare engines
- Power by the hour agreement

First delivery in 2023

- 10 deliveries in 2023
- 24 deliveries in 2024
- 16 deliveries in 2025

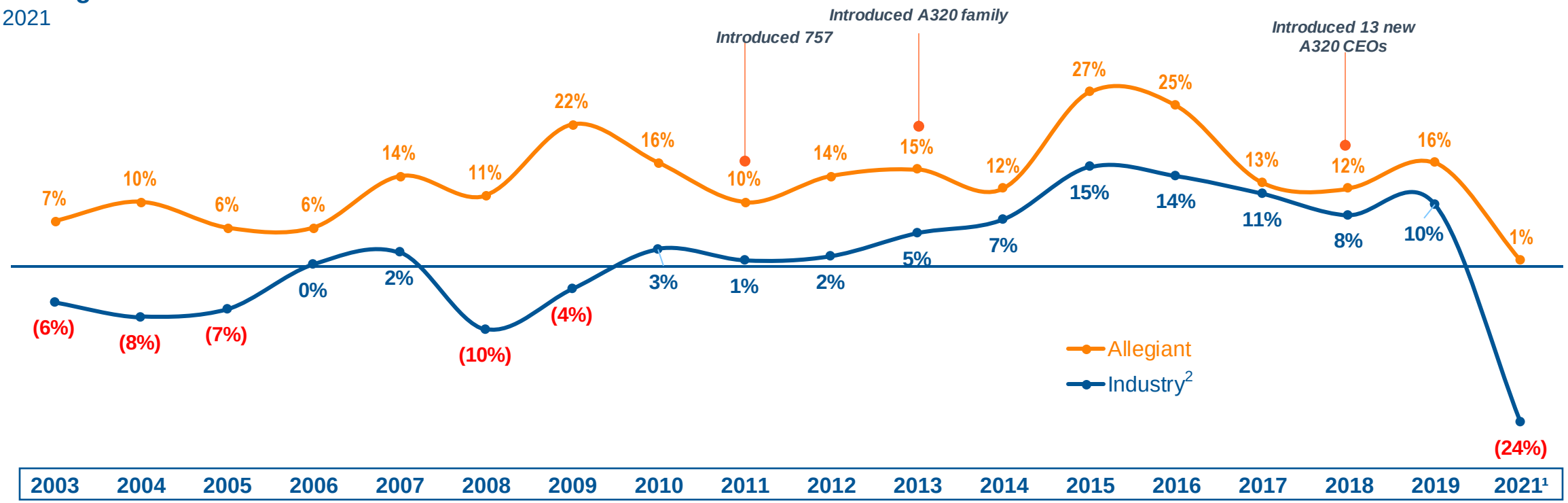
Boeing's first US ULCC customer



Opportunistic asset management has been key to sustained profitability

Pre-tax Margin

2003 - 2021



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2021[1]
MD80	9	9	17	24	32	38	46	52	56	58	52	53	51	47	37			
757									1	5	6	6	5	4				
A320											8	11	24	33	52	76	91	108
Total	9	9	17	24	32	38	46	52	57	63	66	70	80	84	89	76	91	108

1. 2021 pre-tax margin based on nine months ended September 30, 2021 and has been adjusted to exclude the net benefits from the Payroll Support Program, COVID related special charges, and bonus accruals.
2. Industry includes: WN, AA, AQ, AS, B6, CO, DH, DL, E9, F9, FF, FL, G4, HA, HP, JI, LC, MX, N7, NA, NJ, NK, NW, P9, PN, SX, SY, T9, TW, TZ, U5, UA, US, VX, XP, YX

New aircraft purchases support low-cost, low-utilization model

	13 New Airbus A320	50 New Boeing 737 MAX
Timing	Opportunistic	Opportunistic
Delivery Availability	Near-term	Near-term
Engine OEM	CFM	CFM
Percentage of New Aircraft in Fleet at Delivery[1]	~16 percent	~30 percent
EBITDA per Aircraft	~$8.0 million	Up to ~$10.0 million
Incremental Growth Routes	450	1,400
Induction/Heavy Maintenance Impact	Reduced	Reduced
Fuel Efficiency Improvement[2]	~13% more efficient (gal/bh)	~20% more efficient (gal/bh)
Reliability Improvement[3]	1.4 pts greater dispatch reliability	2.3 pts greater dispatch reliability
Balance Sheet Impact	Net leverage 2.3x (Year-end 2018)	Net leverage peaks at 2.5x reducing to ~1.3x by 2025
Tax Benefits	50% bonus depreciation	60% – 100% bonus depreciation

1. 13 new aircraft as a percentage of the total fleet calculated as of 12/31/2018. New 737 aircraft as a percentage of total fleet peaks at 30 percent in 2025 assuming no options are exercised.
2. Fuel efficiency for 13 new Airbus compares the fuel burn (gal/bh) of the 13 new aircraft to the system fuel burn in 2017. Fuel efficiency for the 737 MAX compares the fuel burn (gal/bh) to the 2021 system average.
3. Improvement is measured using the used A320-series aircraft as a baseline.

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Timing and economics aid long-term growth plan

Fleet growth + replacement needs

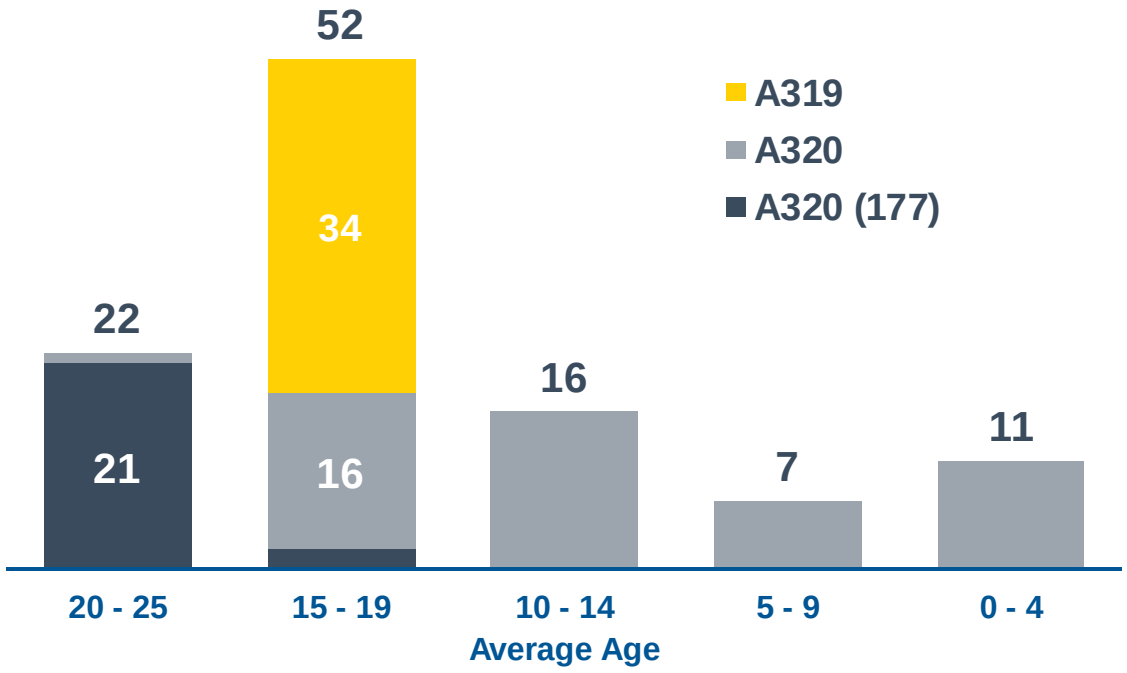
- *Sourcing needs exceed 150 aircraft from 2023 through the end of the decade to maintain 10 percent annual growth rate and replace retiring aircraft at the same time*
- *Induction pipeline for used aircraft becomes increasingly complex due to volume as we move into the middle of the decade*

Unique moment in time

- *OEM's competing aggressively - battling for fewer airlines considering orders*
- *Economics support low-cost, low-utilization model while mitigating complexities of induction pipeline and driving improved operating costs*

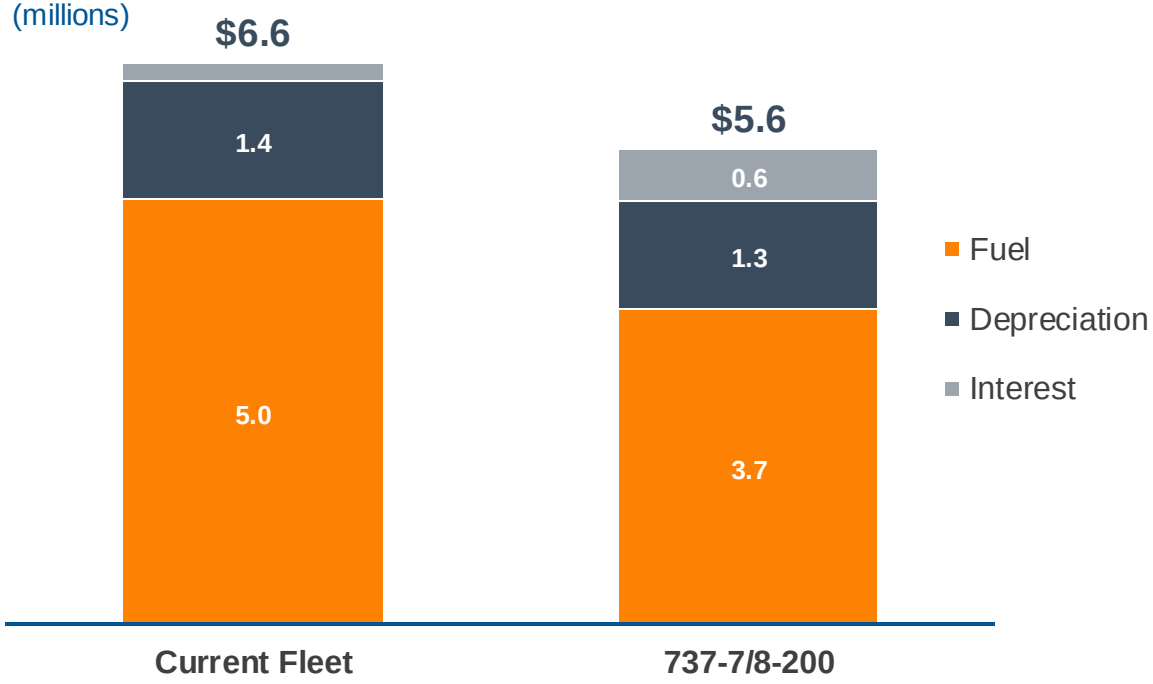
Allegiant's Fleet Distribution by Age

December 2021



Annual Ownership and Fuel Costs[1]

(millions)



1. Current fleet of A320/A319 aircraft with fuel and depreciation based on 2019 actual data and interest based on current market rates

Improved economic benefits and reliability enhance network

Variable economic benefits in newer generation aircraft – largely stemming from fuel burn savings

- Favorable economic benefits increased viability of shoulder/off-peak season and off-peak day of week

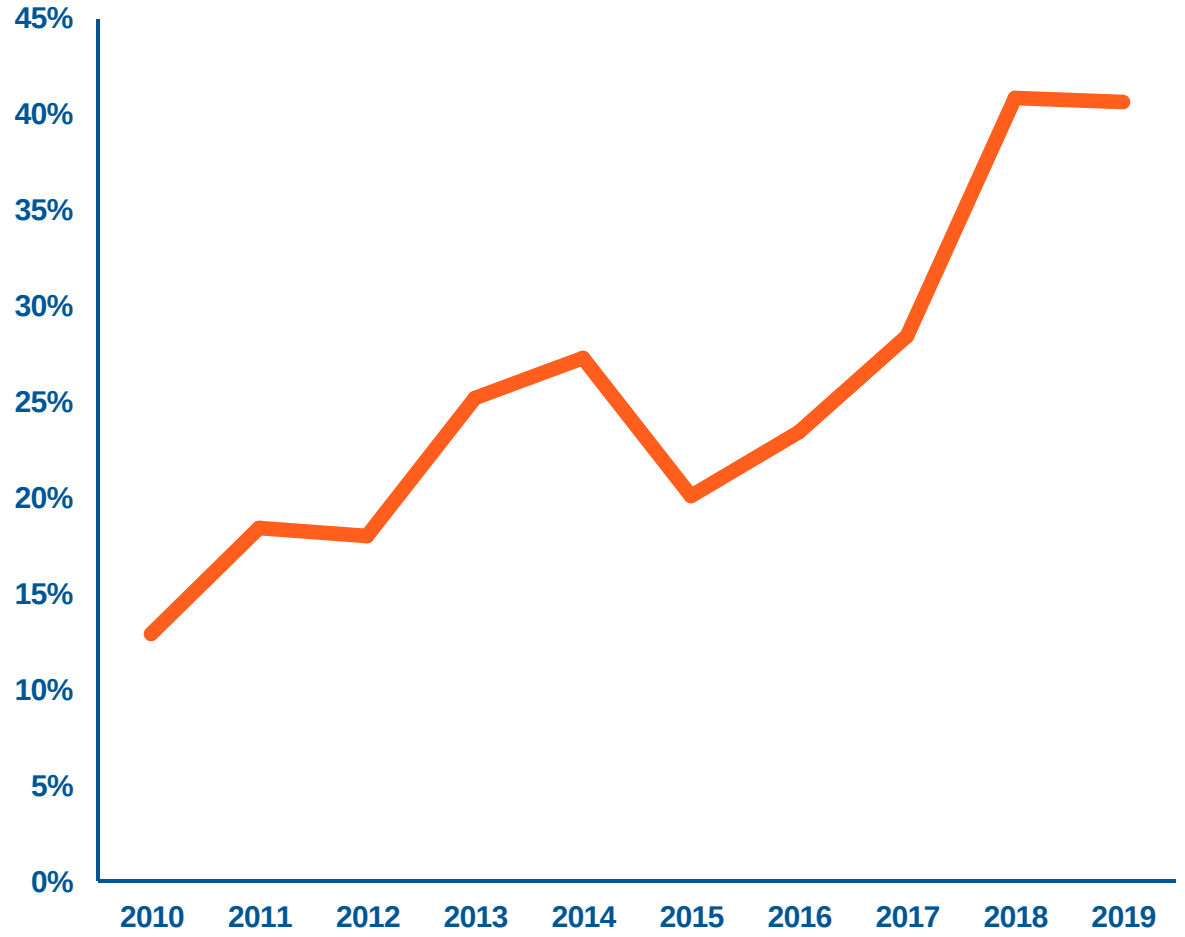
Enables seasonal markets to go year-round and the introduction of additional smaller market flying

Reliability increases contribute to utilization gains through more productive aircraft

The combination of economics and reliability enable addition of mid-continent bases providing valuable peak day / peak season utilization opportunities

Seasonal Markets as % of Total Markets

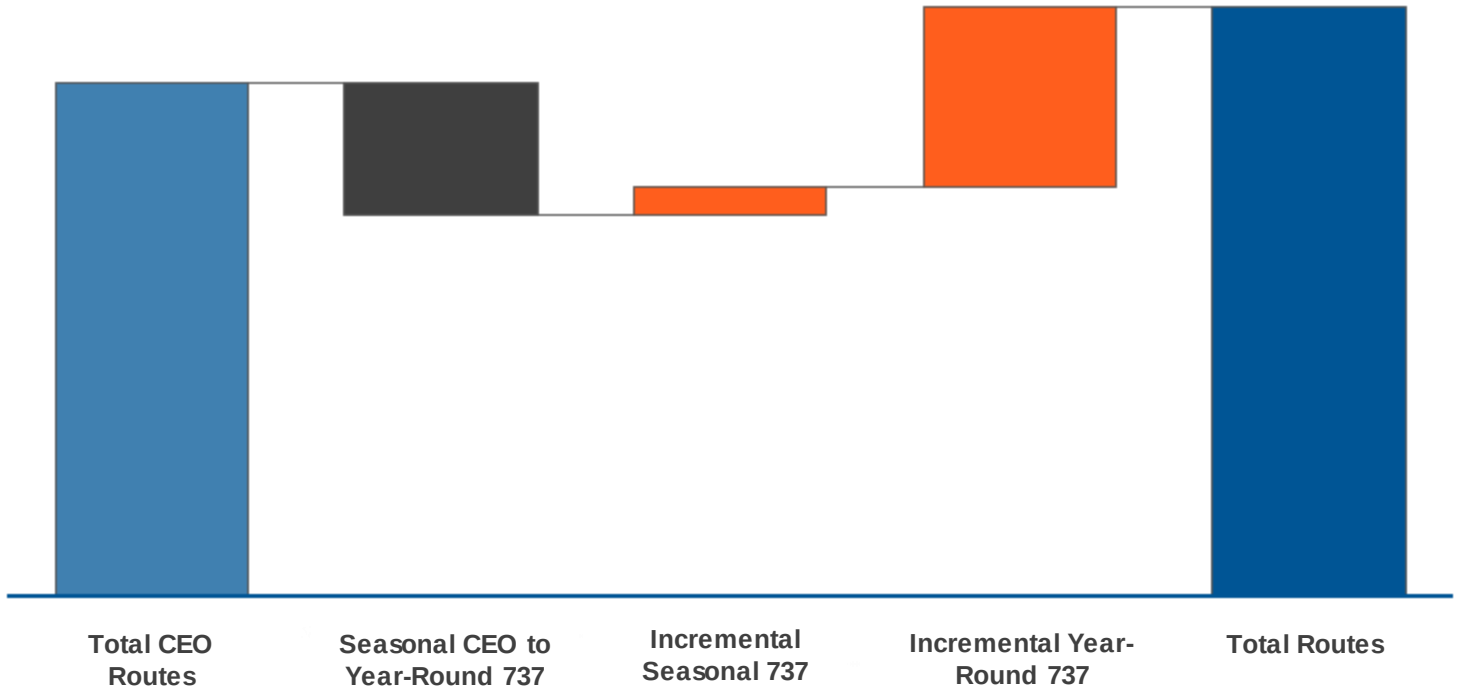
Seasonal Markets (operating < 9 months/year)



Creating additional network opportunities

- **80% have no nonstop competition**
- **Evenly split amongst destination types:**
  - Established
  - Developing
  - New
  - Unannounced
- **Only 20% have the potential for daily+**
- **50% are connect-the-dots within our current network**

Improved variable economics take incremental, domestic route opportunities from 1,000+ to 1,400+

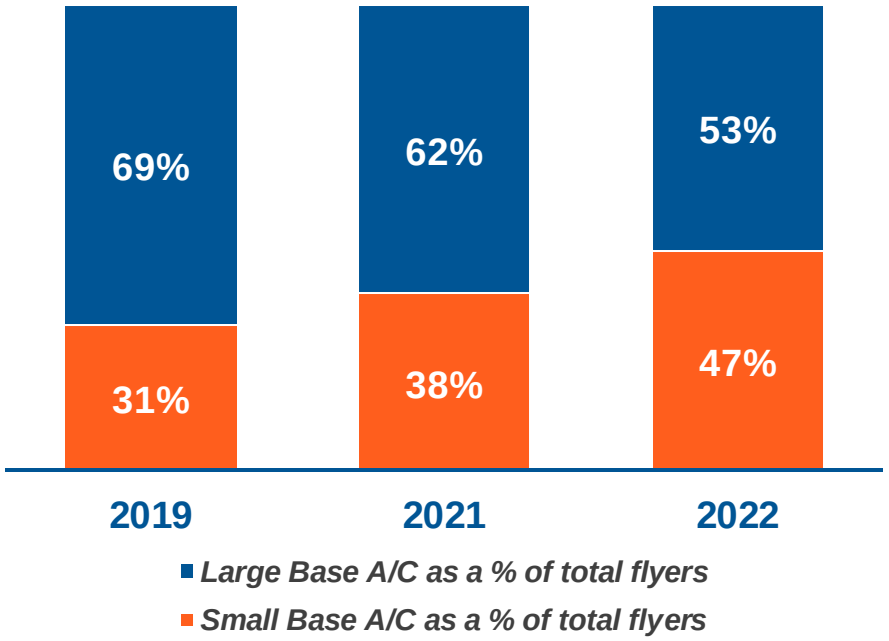


Economics support mid-continent basing strategy

- **Small, mid-continent bases constitute nearly 50% of flying aircraft in 2022 driving significant returns**
  - Economic profile of A320 series aircraft and reliability unlocked opportunities in smaller markets
  - Incremental improvement in variable economics with the 737 aircraft will continue to tap into these markets
- **Peak day, peak season utilization is most valuable flying**
  - Adding new bases best enables this flying as incremental aircraft to existing bases invariably fly less than previous aircraft in base

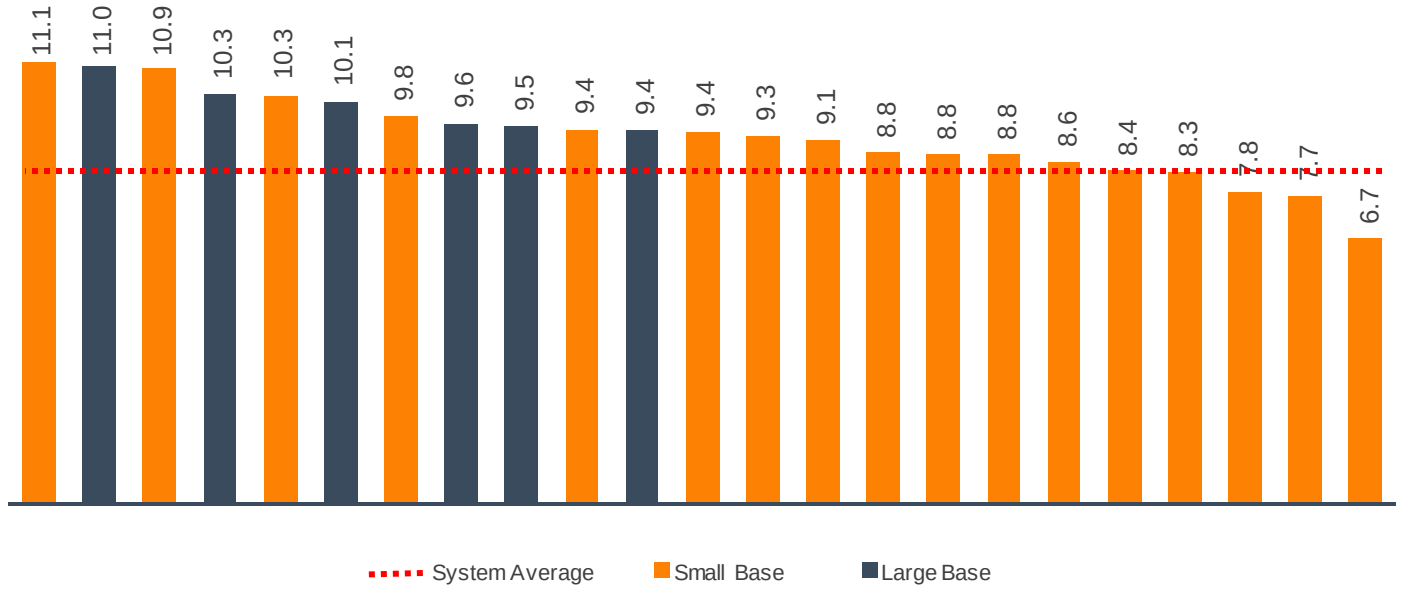
Base Size as a % of Total Fleet

2019-2022



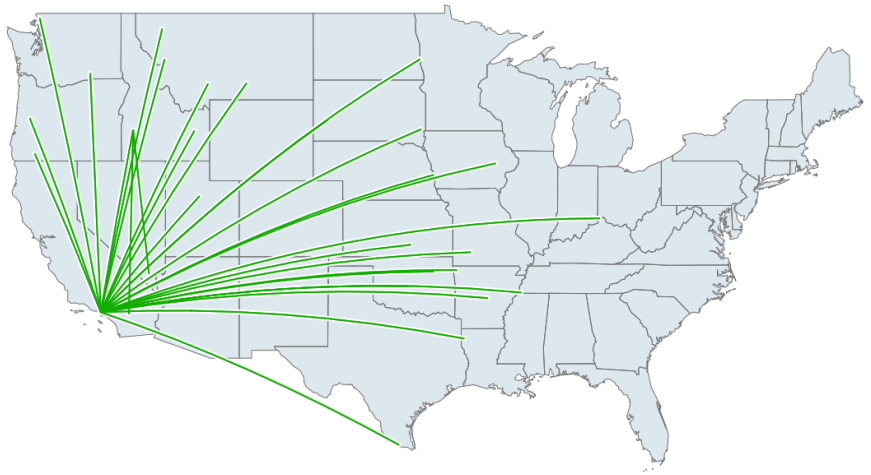
Top Utilized Line in Each Base

2021



Bases are isolated system, *reducing complexity* by operating single fleet type at bases

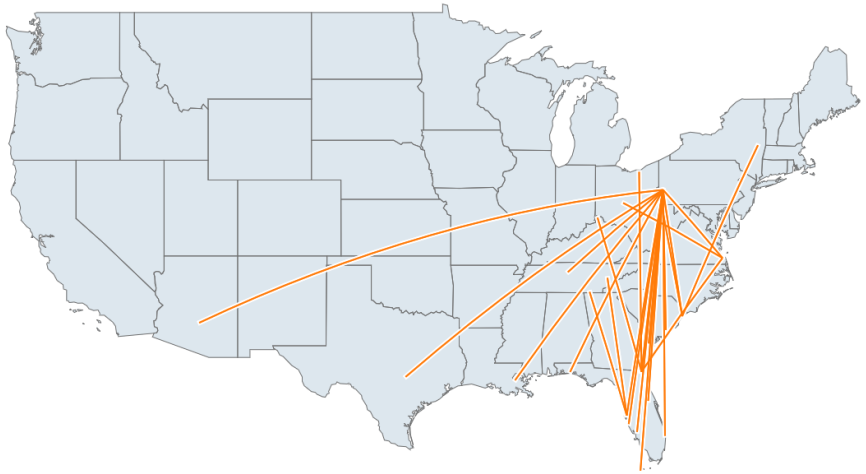
Los Angeles - LAX



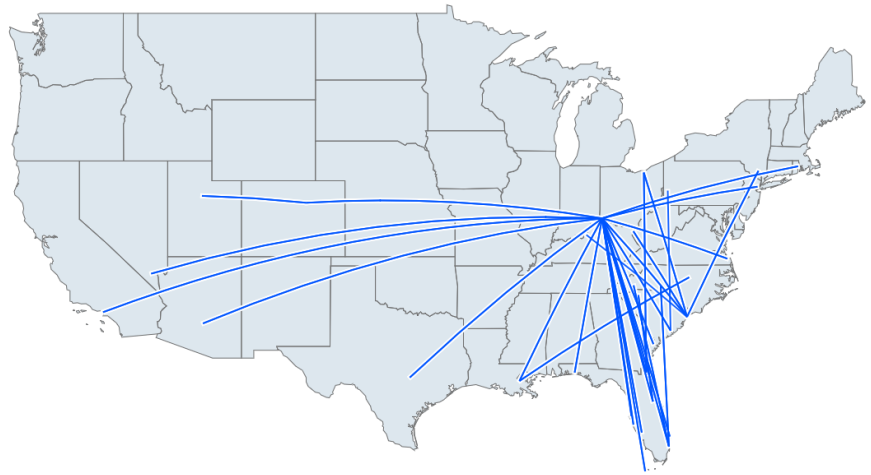
Nashville - BNA



Pittsburgh - PIT

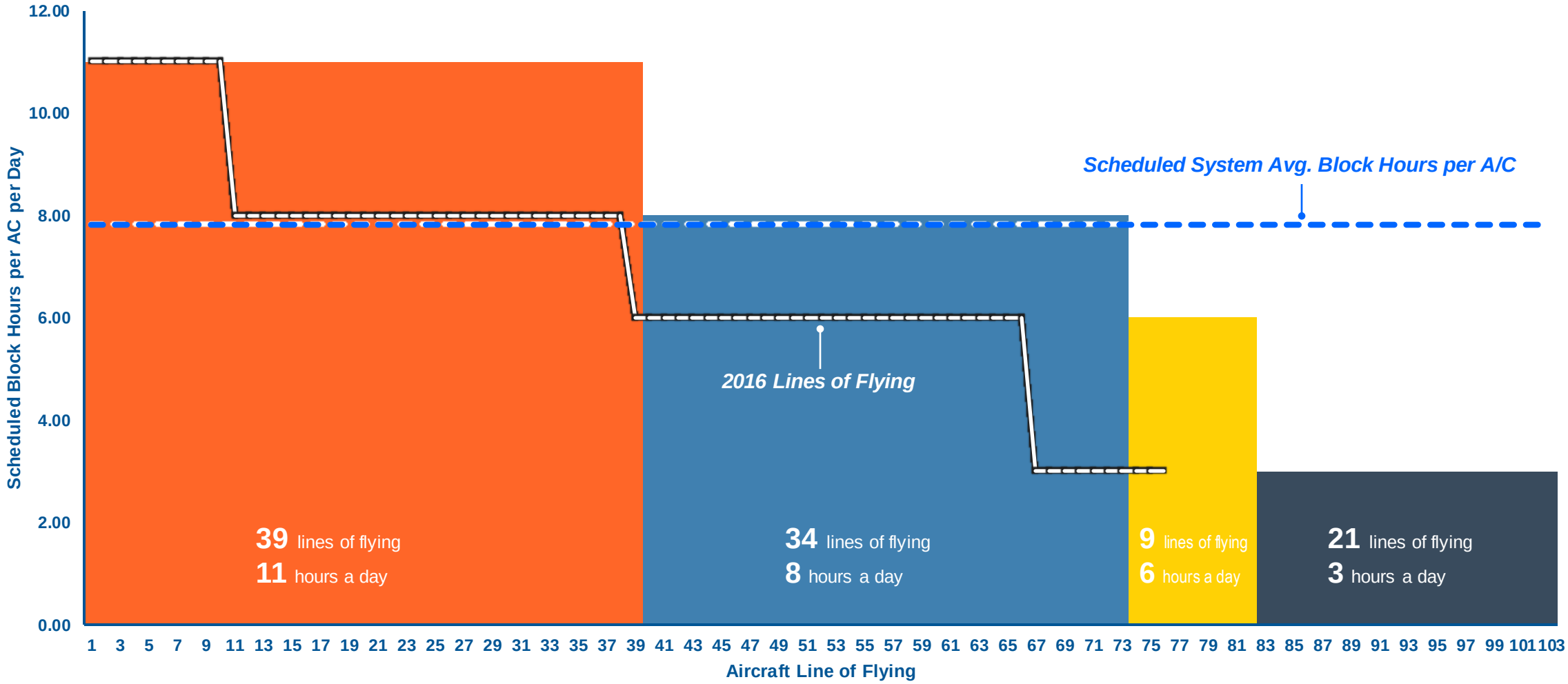


Cincinnati - CVG



Four cities presented are for illustrative purposes only and not indicative of future MAX bases

Network evolution includes additional high utilization lines of flying



B737 meets Allegiant's fleet needs

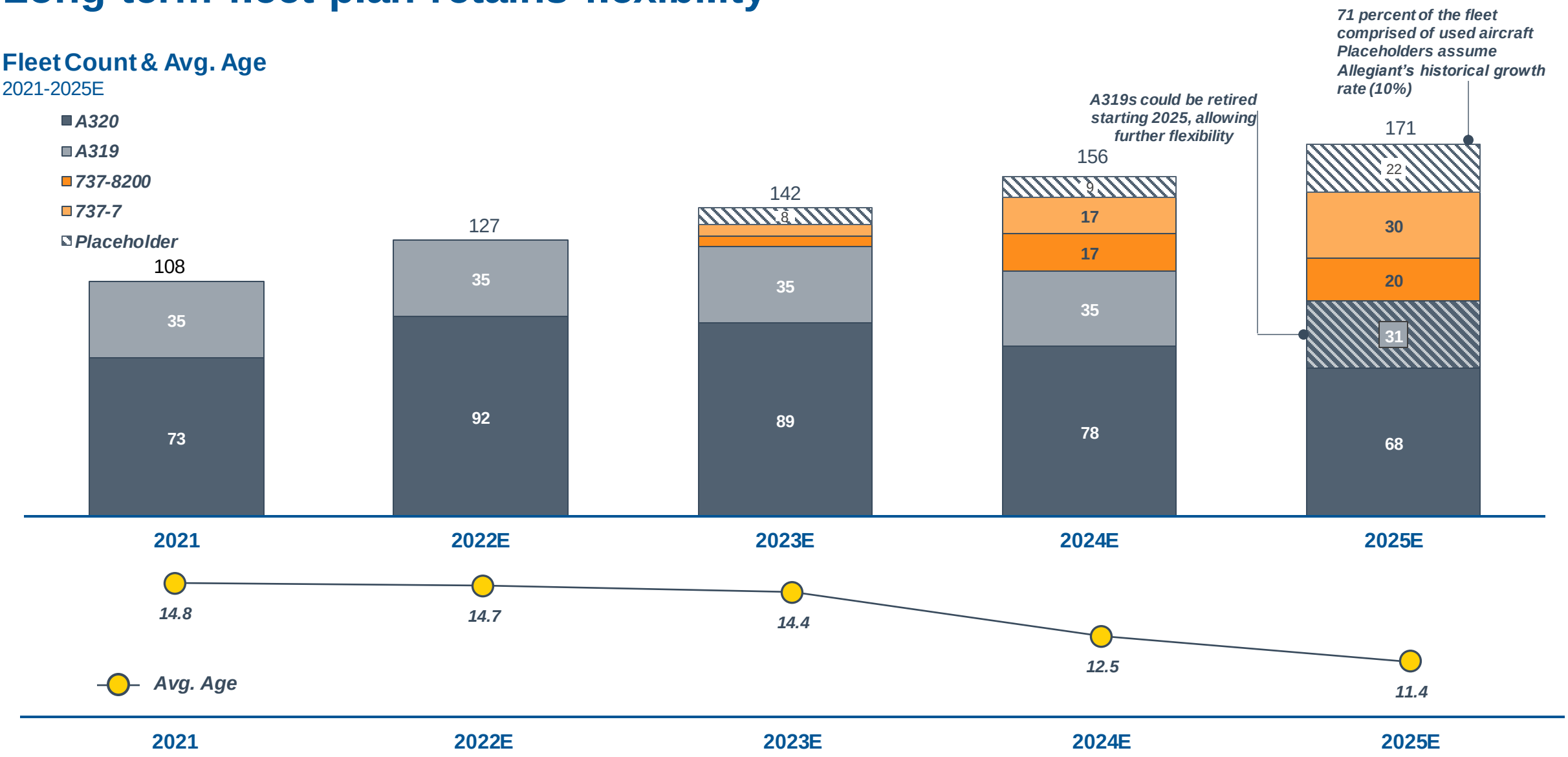
	737 MAX	A220-300	A320neo	A320/19ceo
Production Outlook	In production	In production	In production	Out of production
Delivery Availability	Short-term	Short-term[1]	Long-term	Today
Flexibility / Up-Gauge Optionality	High (4 variants)	Low (Uncertain)	Medium (2 variants)	Medium (3 variants)
Unit Cost (Cost per Seat)	Low	Low	Low	Baseline
Trip Cost (Cost per Departure)	Low	Low	Low	Baseline
Reliability	High	High	High	Baseline
Spare Parts Coverage	High	Low	High	Baseline
Benefits	*Lowest unit cost for Allegiant, fuel and OPEX reductions late decade, Highest EBITDA/aircraft production*	*Fuel and OPEX reductions late decade*	*Single fleet type, fuel and OPEX reductions beginning late decade*	*Single fleet type, minimize capex near/medium term, attractive used market (currently)*
Considerations	*Dual fleet complexity*	*Dual fleet complexity*	*Highest acquisition cost, delivery slots limited to mid-late decade*	*Higher maintenance and fuel costs, decreasing reliability, large replacement need in late decade, ESG concerns*

1. Short-term deliveries are available, however lower production rates extend desired delivery schedule

Long-term fleet plan retains flexibility

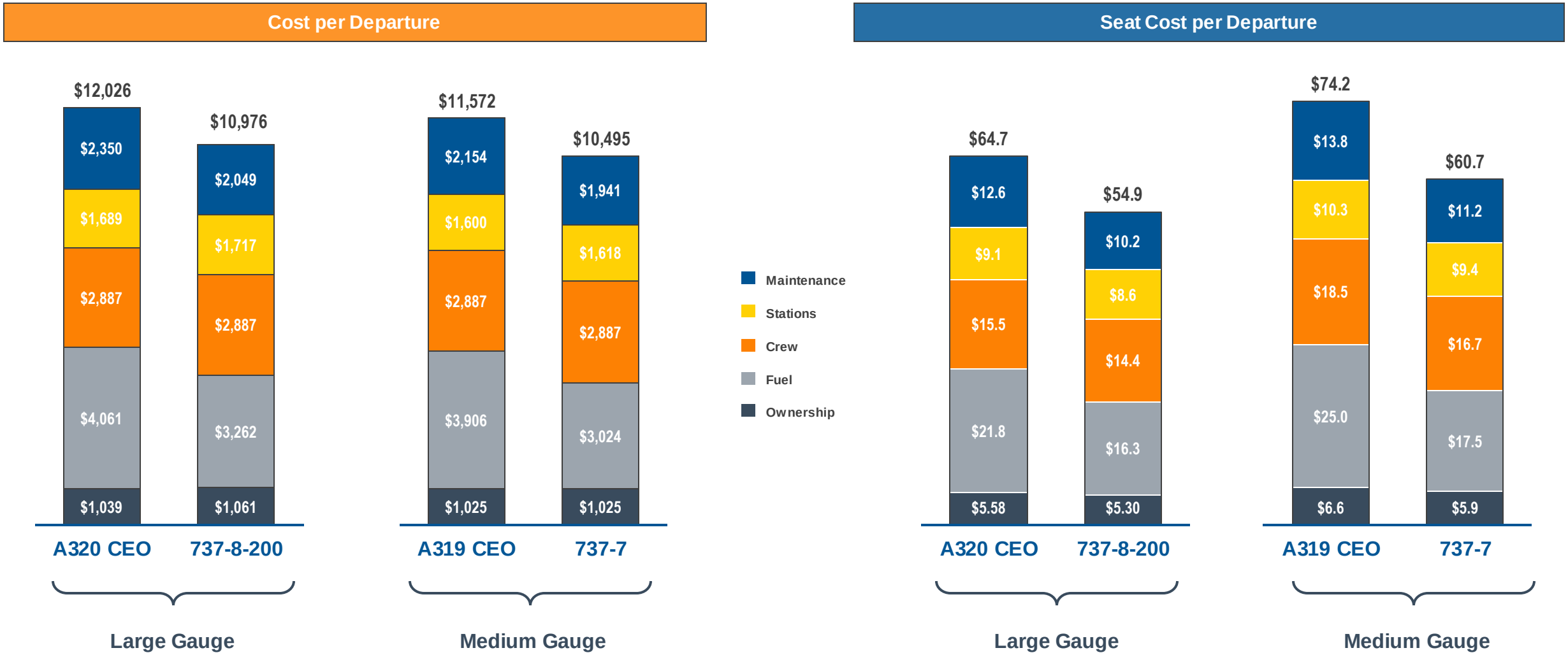
Fleet Count & Avg. Age

2021-2025E



Average age assumes all placeholders are filled with used aircraft ranging between 12 and 15 years

Supported by favorable economics

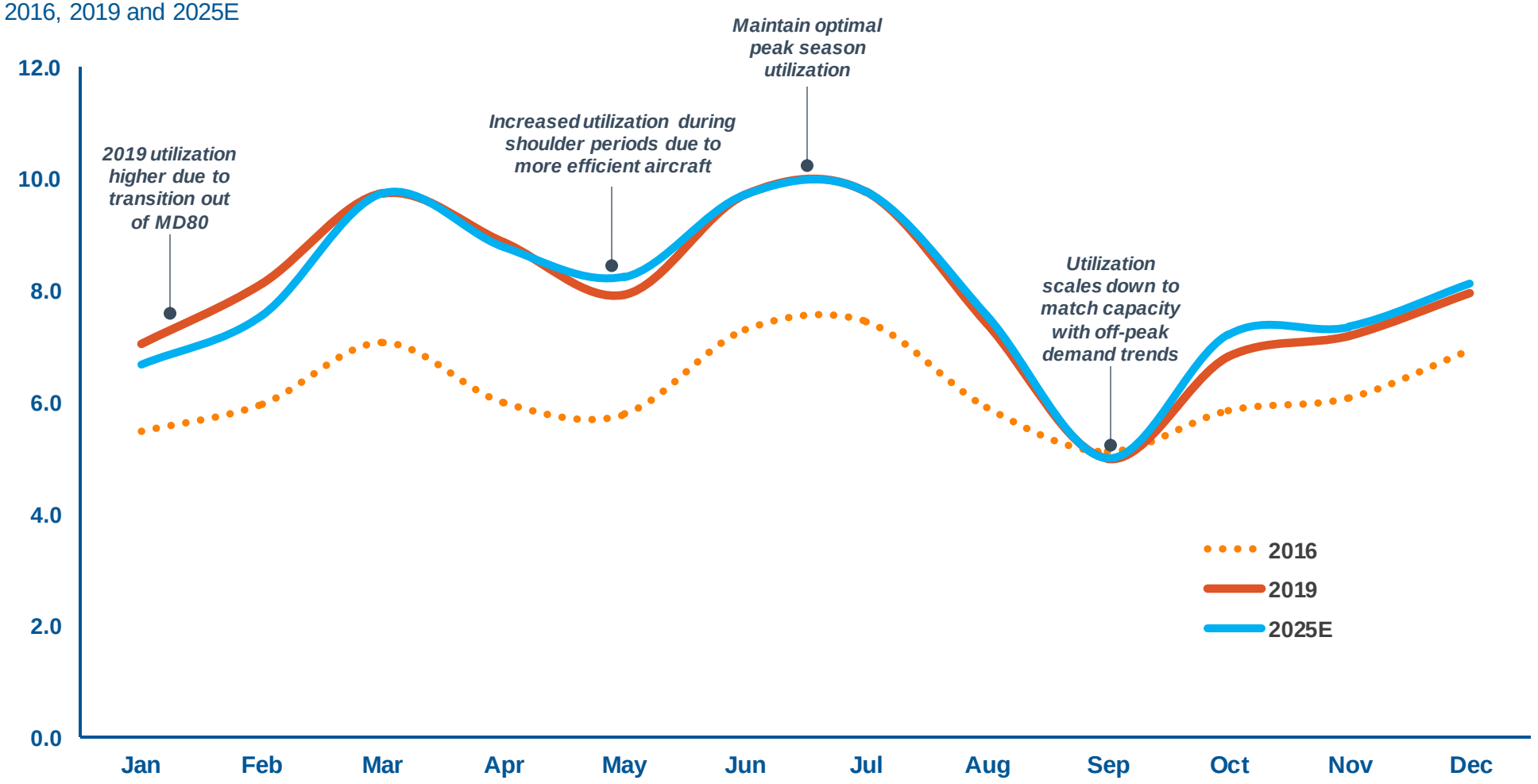


Calculations based on internal assumptions using a fuel cost per gallon of $2.18

Enhancing ability to match capacity with demand

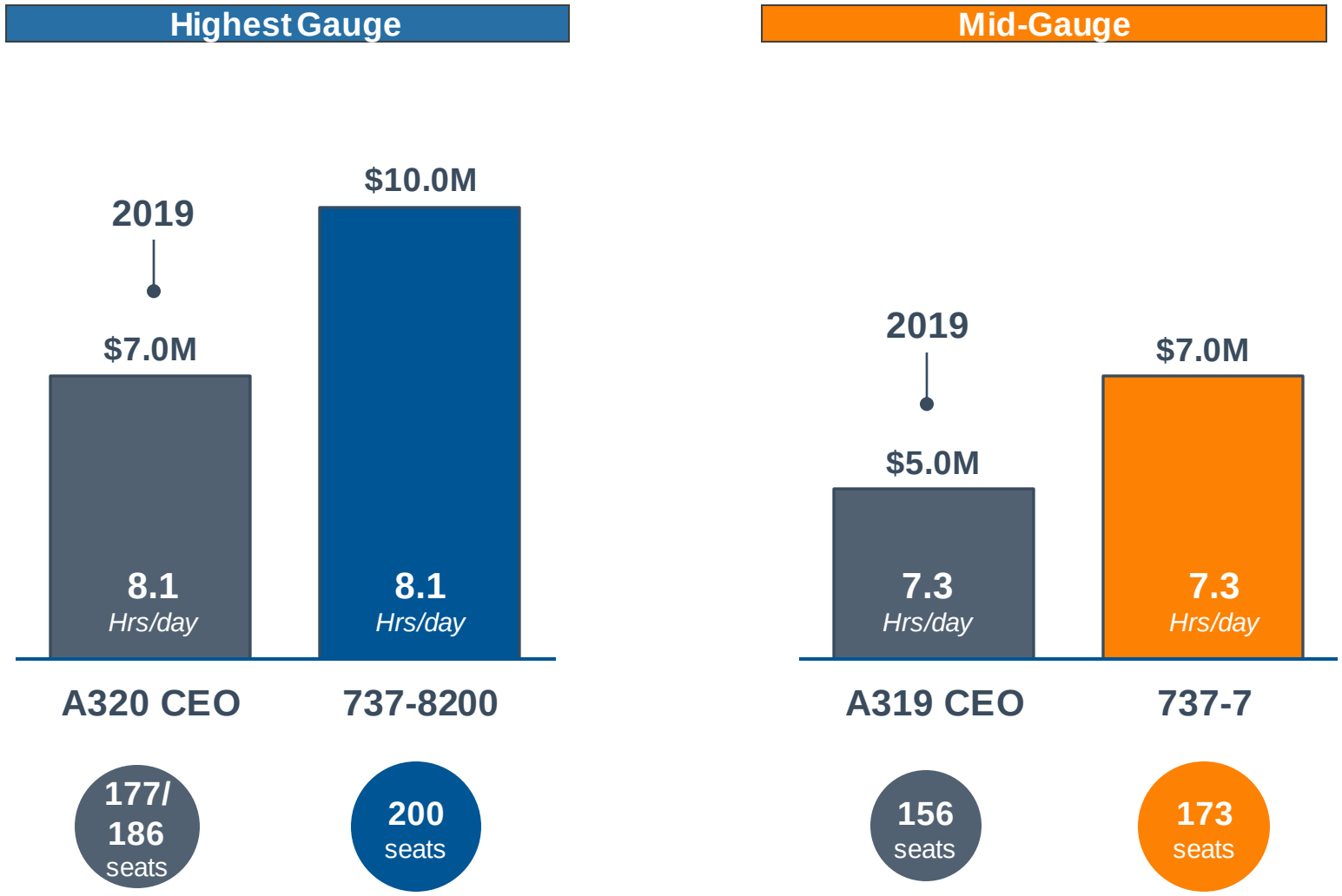
Aircraft Utilization

2016, 2019 and 2025E



2019 utilization results in increased EBITDA per aircraft

EBITDA per 737 Aircraft vs Current Aircraft



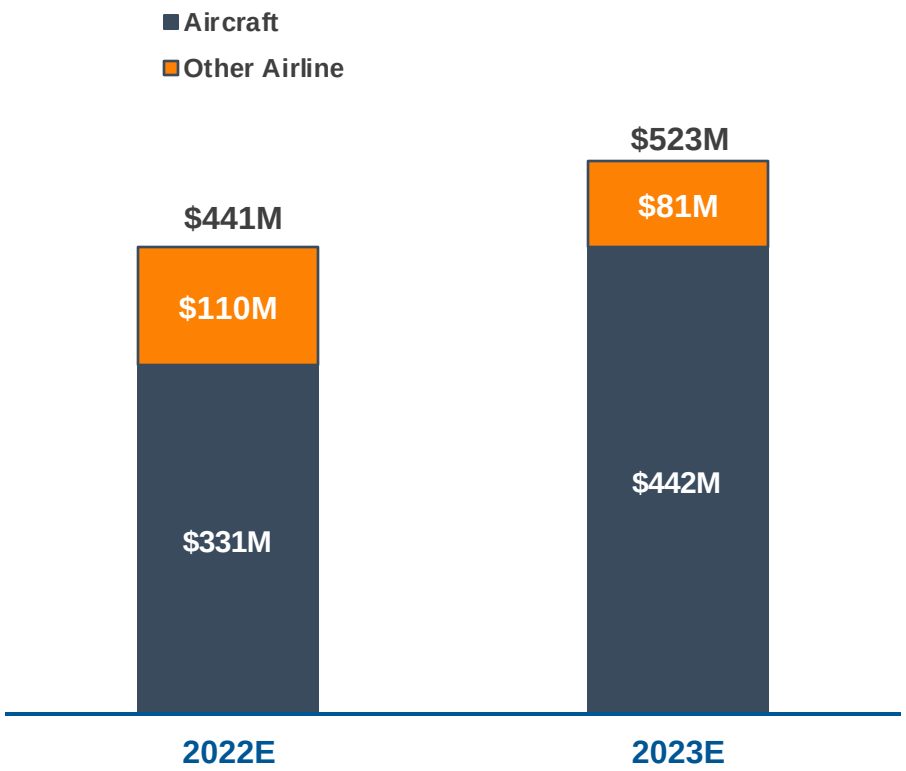
737 EBITDA projections assume 2019 operating environment, fuel cost per gallon, and utilization levels, resulting in an increased EBITDA per 737-8-200 aircraft of roughly 43 percent when compared to the A320 CEO, and an increased EBITDA per 737-7 of roughly 40 percent when compared to the A319 CEO.

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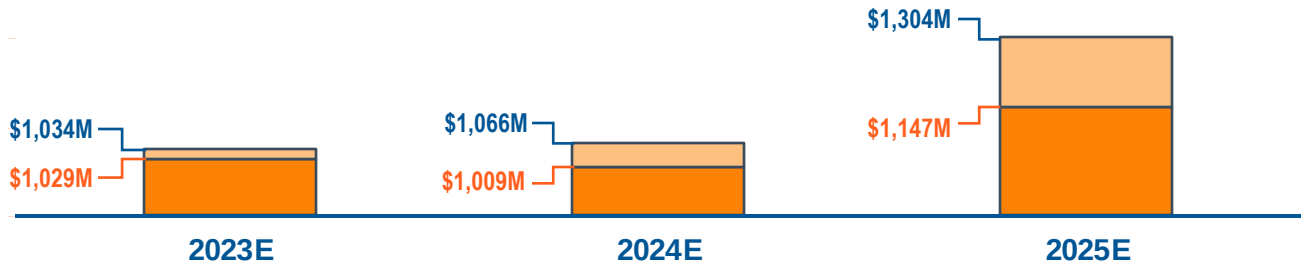
Favorable EBITDA helps mitigate balance sheet risk

Estimated Airline Capital Expenditures

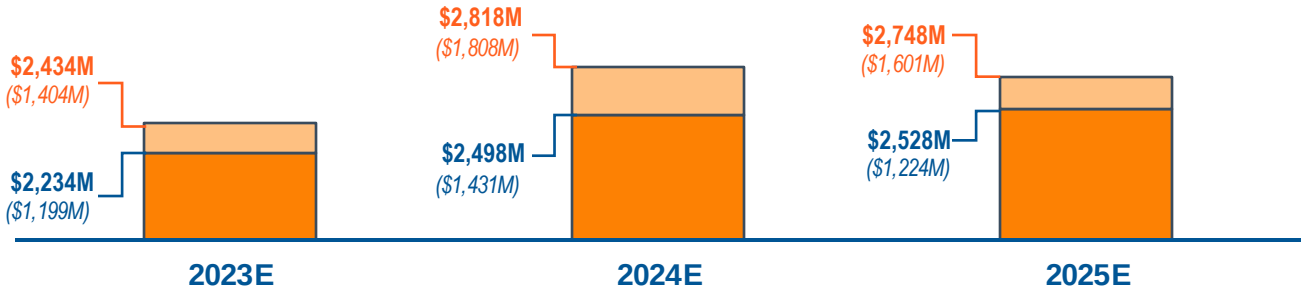
2022 - 2023



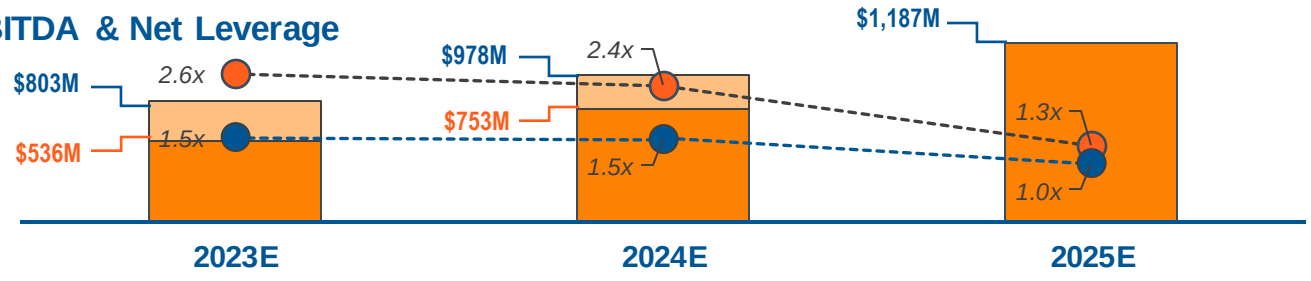
Cash & Equivalents



Debt & (Net Debt)



EBITDA & Net Leverage



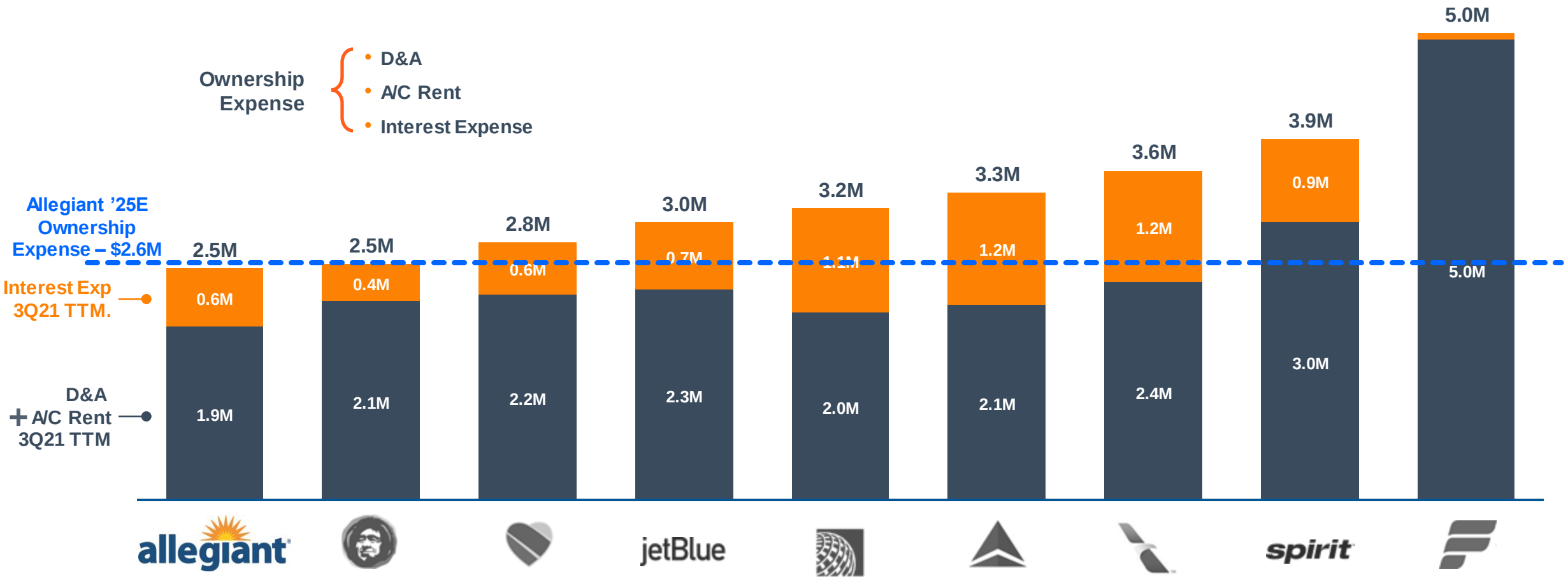
2023E	2024E	2025E
$4.0M - $6.0M EBITDA/AC	133 Avg AC	$5.0M - $6.5M EBITDA/AC	150 Avg AC	$7.0M EBITDA/AC	169 Avg AC

Aircraft capital expenditures includes pre-delivery deposits, induction costs, and spend related to committed and placeholder A320 aircraft

Low fixed costs maintained

Ownership Expense per Aircraft *(Mainline + Regionals)*

3Q21TTM *(millions)*

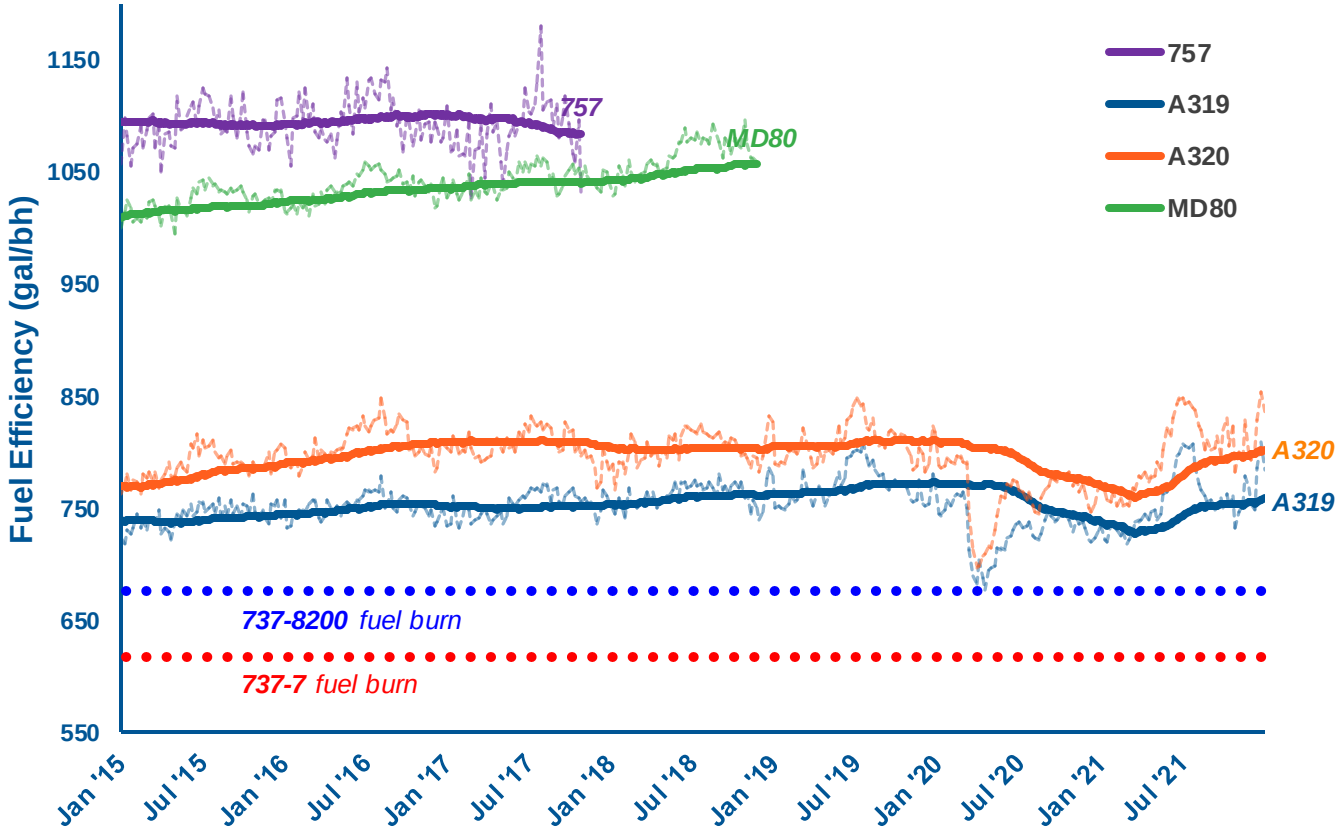


Source: Aerotransport DB, SEC (fillings), DOT (Form 41)

Environmental considerations

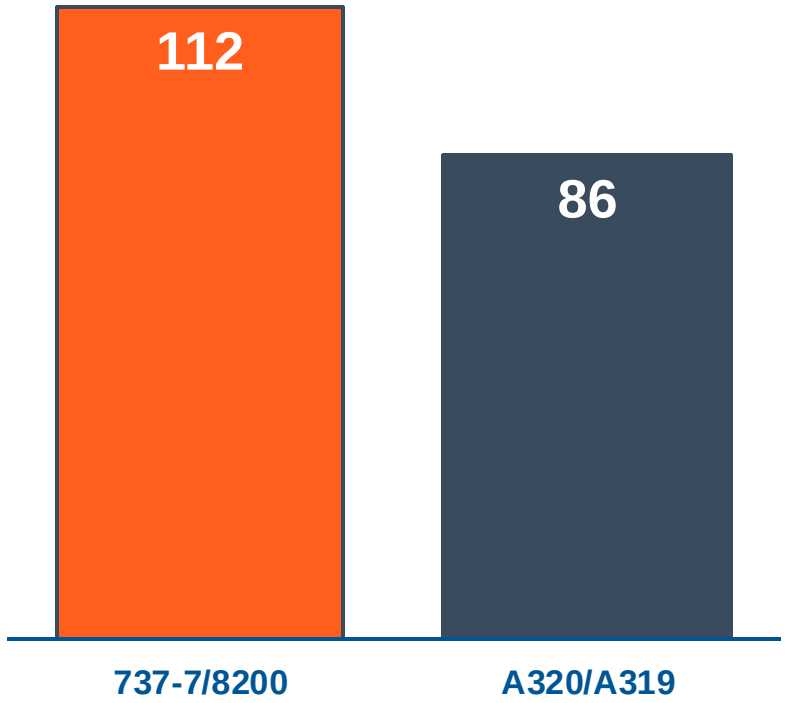
Fuel Efficiency per Aircraft Type, Gallons per Block Hour

2015-2021



ASMS per Gallon per Aircraft Type

737 Estimate & A320/A319 Actuals as of 9/30/21



Expect to see a **19% reduction** in gallons per block hour with new fleet
ASMs per gallon will **increase 30%** over the current fleet

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