

# Management Presentation

As of 4Q19 Earnings Call  
1/29/2020



# Forward looking statements

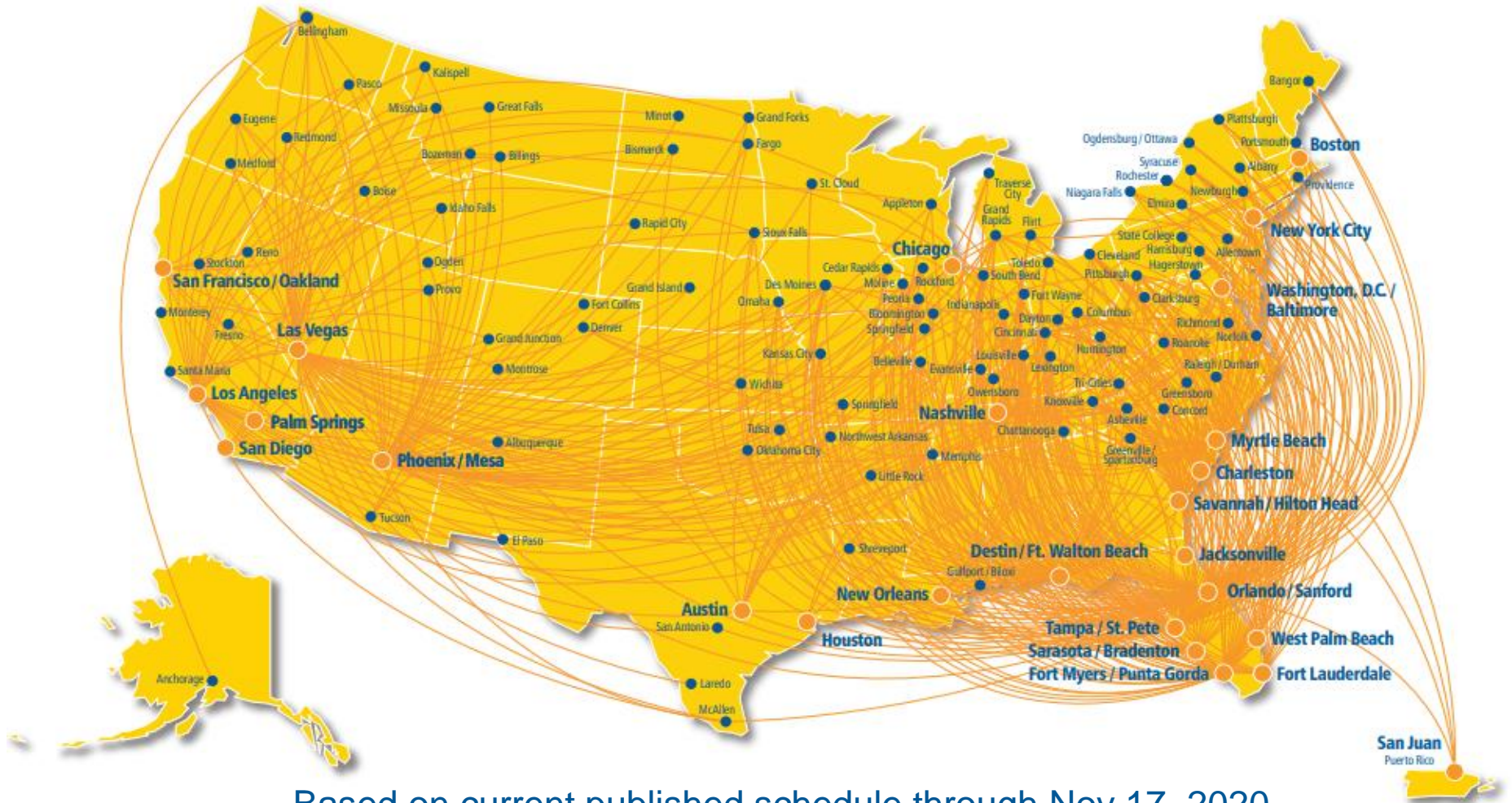
This presentation as well as oral statements made by officers or directors of Allegiant Travel Company, its advisors and affiliates (collectively or separately, the "Company") will contain forward-looking statements that are only predictions and involve risks and uncertainties. Forward-looking statements 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.

# 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

# A very large niche



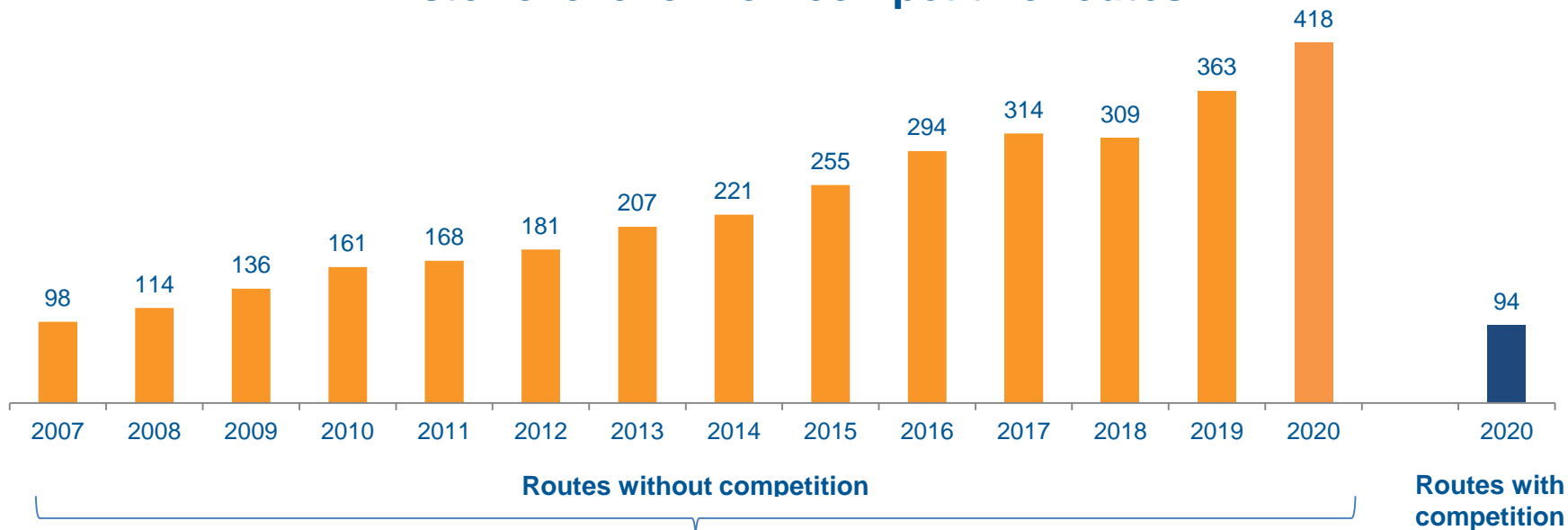
Based on current published schedule through Nov 17, 2020  
512 routes, 97 small/medium cities, 30 leisure destinations

Orange circles = destinations



# Little competition

## Historic level of non-competitive routes



Competitors – overlapping routes			
Legacy carriers	78	Brand/lower cost carriers	7
		ULCC's	58

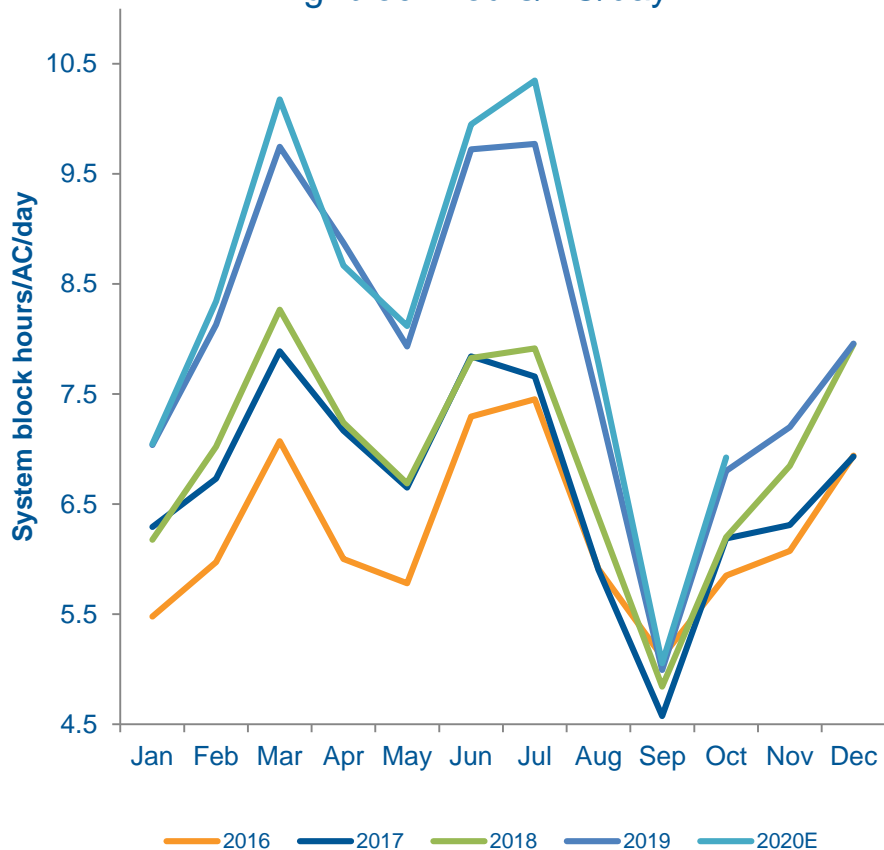
Based on current published schedule through Nov 17, 2020, announcements and cancellations as of Jan 30, 2020  
 Legacy carriers – American, Delta, Southwest, United. Brand / lower cost carriers – Alaska, Hawaiian, JetBlue  
 ULCC carriers – Frontier, Spirit, Sun Country  
 Competitive routes are those that have non-stop, mainline flights between similar markets



# Low frequency model

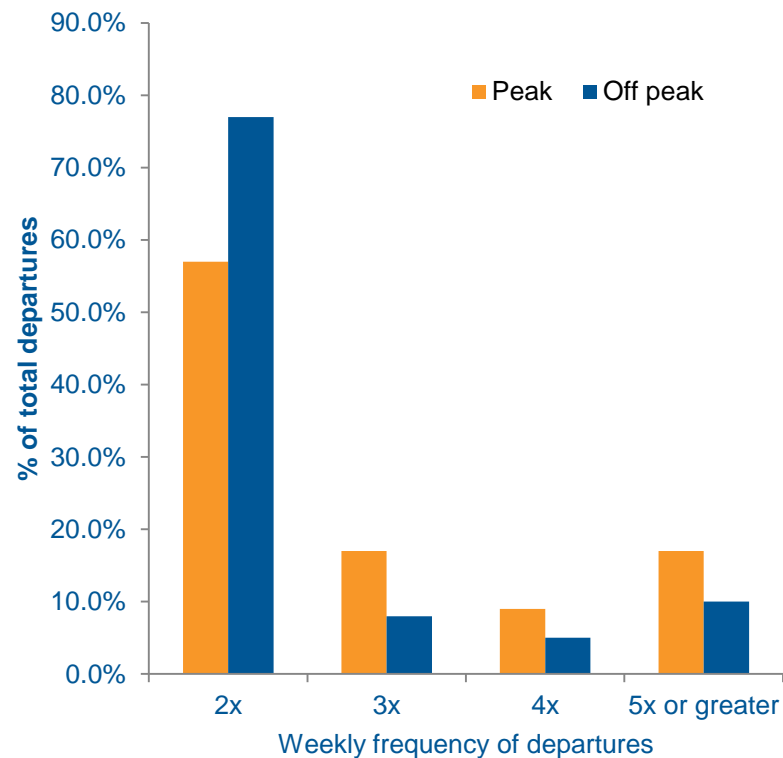
## Leisure = seasonality

Avg. block hours/AC/day



## Small cities = low frequency<sup>(1)</sup>

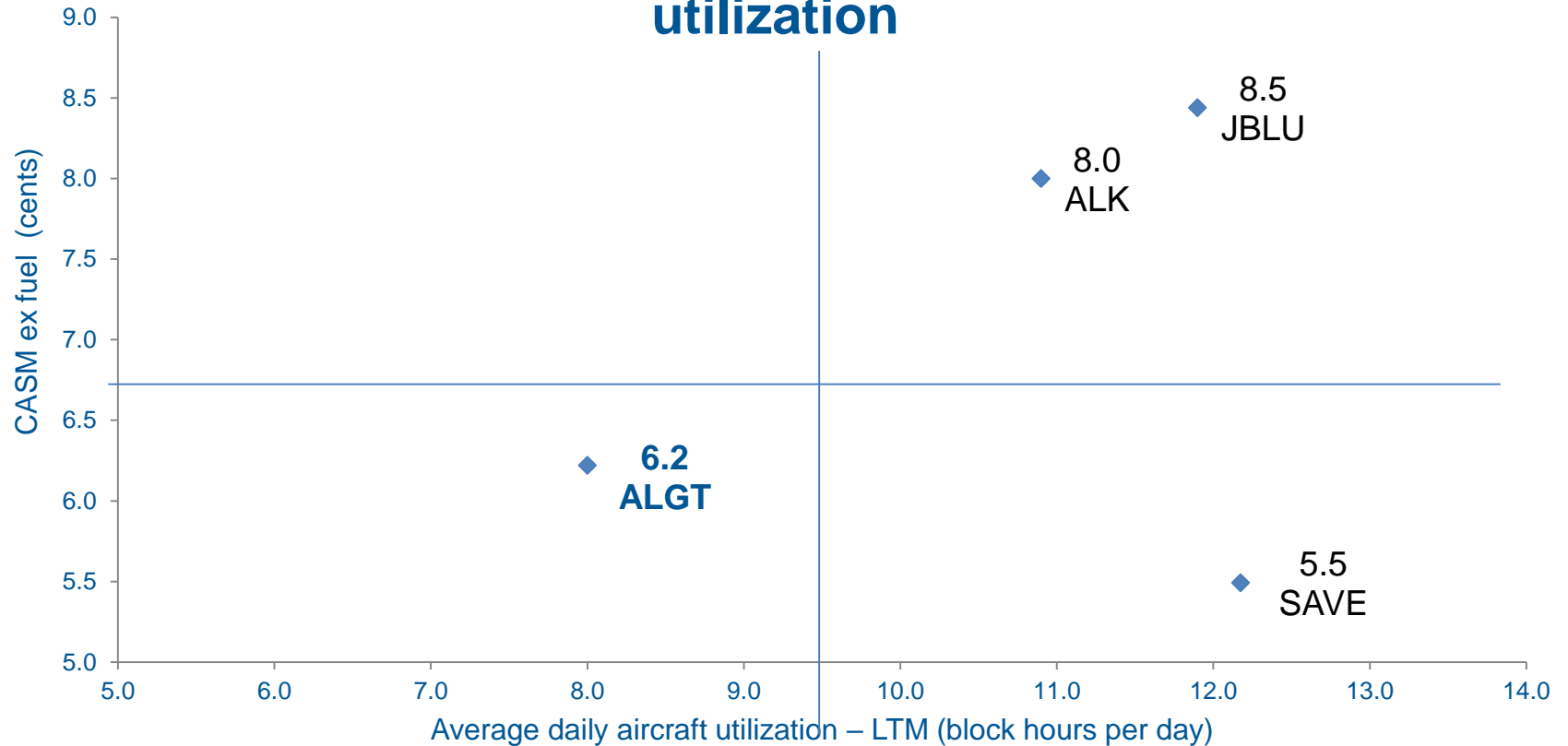
Weekly market frequency



1 - Peak = peak is defined as 11/20 – 12/3, 12/18 – 1/7, 2/12 – 4/14, 6/3 – 8/18. Remaining is off peak

# Low costs even with low utilization

## Full year 2019 CASM ex fuel vs daily aircraft utilization

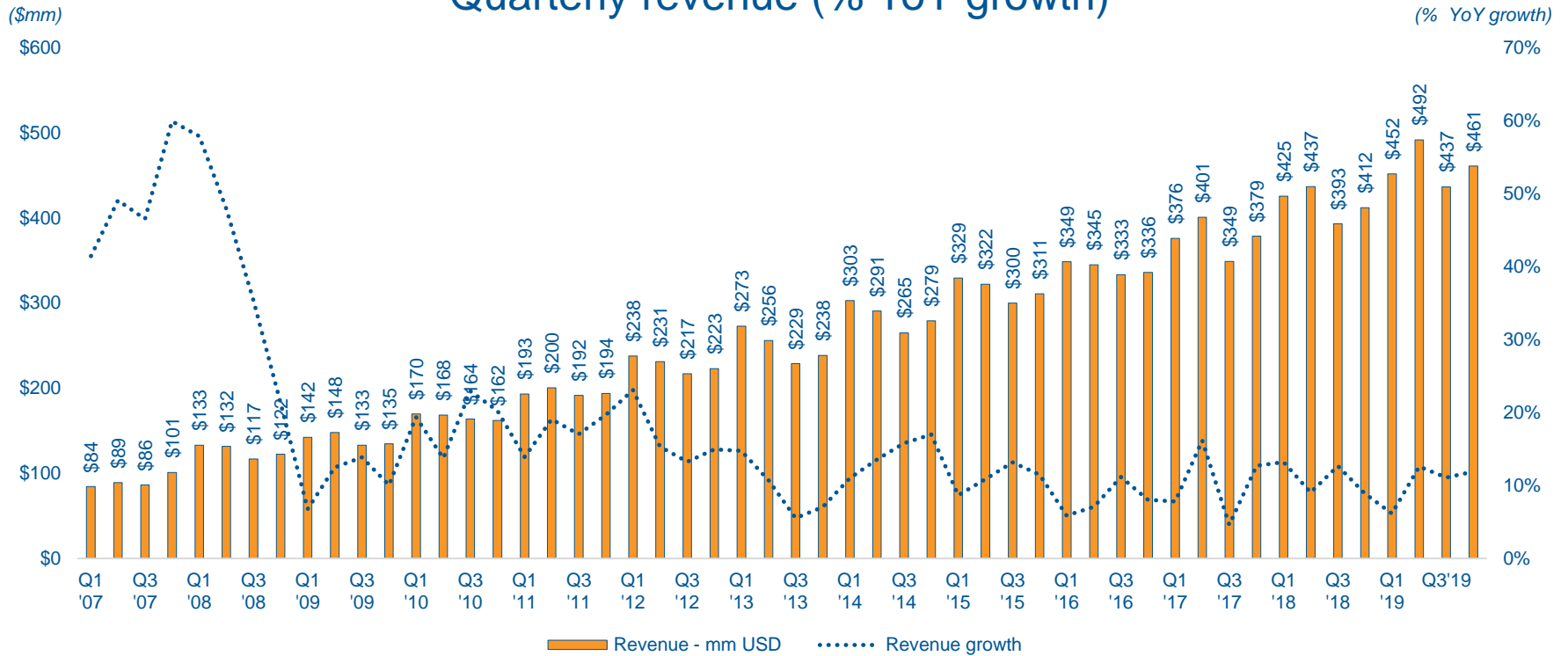


As of full year 2019, ALGT – Allegiant, JBLU – JetBlue, ALK – Alaska mainline  
As of LTM 3Q19, SAVE – Spirit  
Allegiant excludes non airline costs



# Revenue growth every quarter through good times and bad...

## Quarterly revenue (% YoY growth)



Brent Crude Price per bbl:	\$65.87
	\$70.68
	\$81.66
	\$95.98
	\$101.58
	\$140.00
	\$100.64
	\$44.60
	\$49.66
	\$69.89
	\$70.61
	\$79.36
	\$83.76
	\$75.63
	\$79.97
	\$91.38
	\$106.72
	\$95.42
	\$79.20
	\$98.83
	\$103.02
	\$84.96
	\$92.19
	\$91.82
	\$97.23
	\$96.56
	\$102.33
	\$98.42
	\$101.58
	\$105.37
	\$91.16
	\$53.27
	\$47.60
	\$59.47
	\$45.09
	\$37.04
	\$38.34
	\$48.33
	\$48.24
	\$53.72
	\$50.60
	\$46.04
	\$51.67
	\$60.42
	\$64.94
	\$74.15
	\$73.25
	\$68.08
	\$63.90
	\$68.32
	\$62.00
	\$63.22
YoY GDP Growth / Decline:	0.9%
	2.3%
	2.2%
	2.5%
	(2.3%)
	2.1%
	(2.1%)
	(8.4%)
	(4.4%)
	(0.6%)
	1.5%
	4.5%
	1.5%
	3.7%
	3.0%
	2.0%
	(1.0%)
	2.9%
	(0.1%)
	4.7%
	3.2%
	1.7%
	0.5%
	0.5%
	3.6%
	0.5%
	3.2%
	3.2%
	(1.0%)
	5.1%
	4.9%
	1.9%
	3.3%
	3.3%
	1.0%
	0.4%
	1.5%
	2.3%
	1.9%
	1.8%
	1.8%
	3.0%
	2.8%
	2.3%
	2.2%
	4.2%
	3.4%
	2.6%
	3.1%
	2.1%
	1.9%
	2.1%

Source: Company filings.

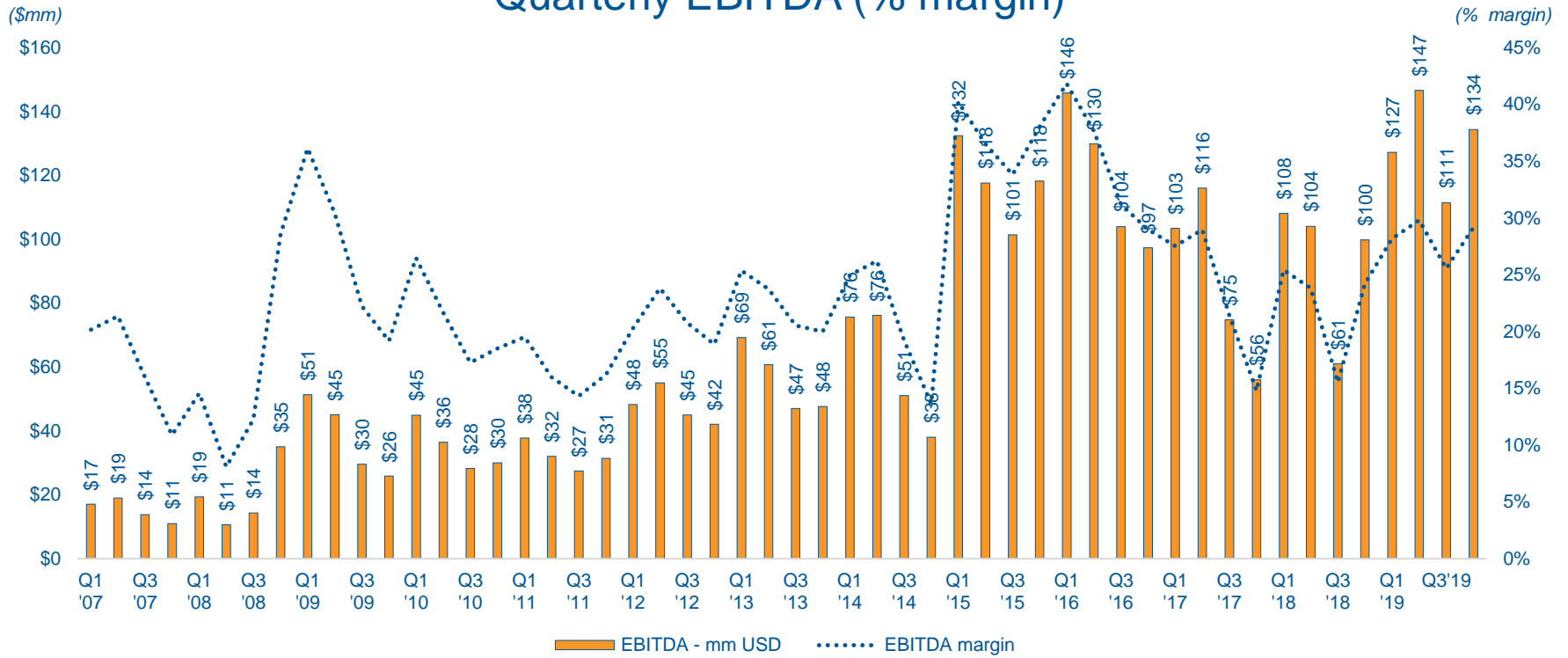
Note: Red highlights denote Brent crude oil price above \$100 / barrel and GDP decline.





# ... With strong EBITDA margins

## Quarterly EBITDA (% margin)



Brent  
Crude Price  
per bbl:  
YoY GDP  
Growth/  
Decline:

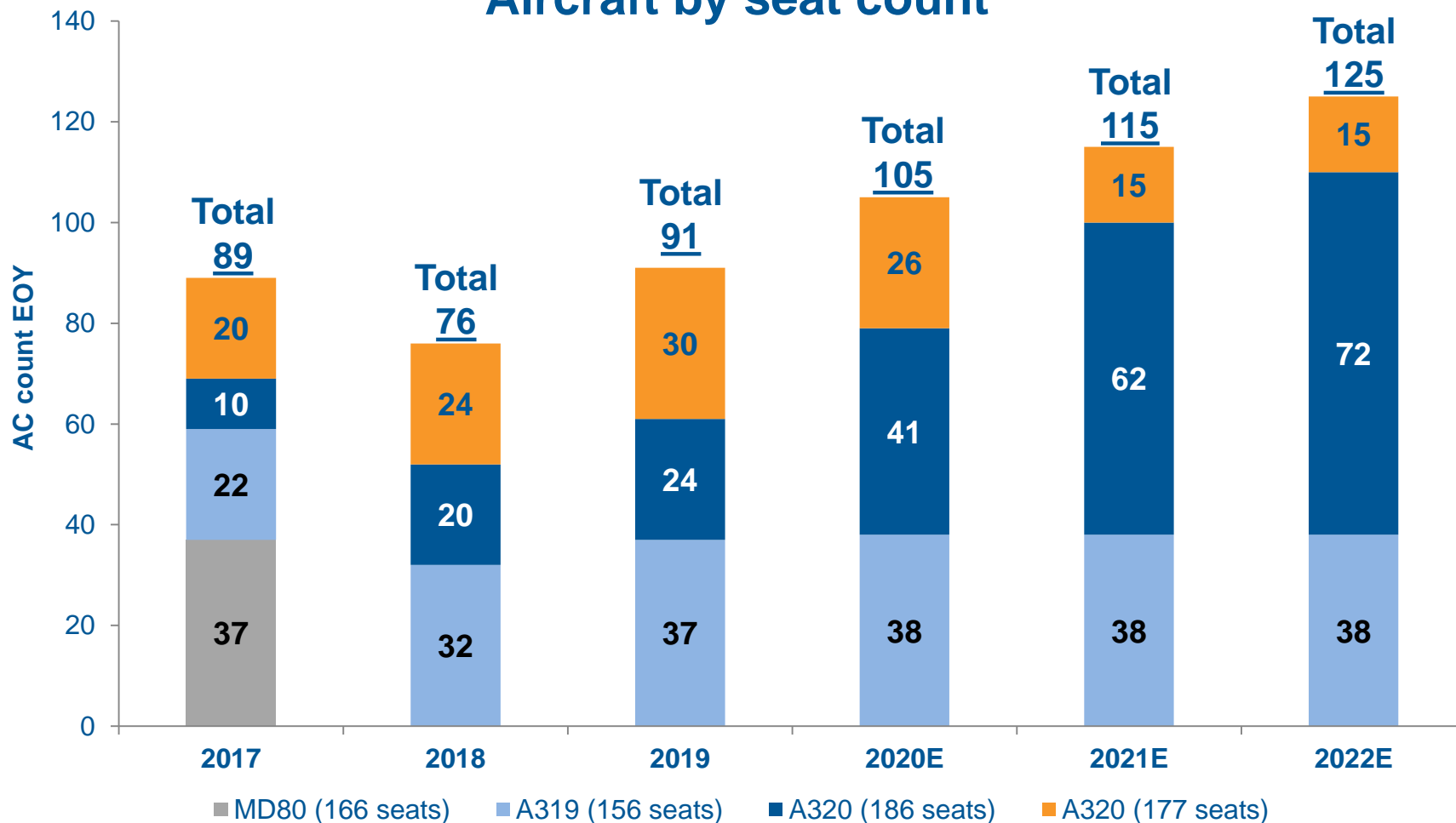
\$65.87
\$70.68
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Source: Company filings.

Note: Red highlights denote Brent crude oil price above \$100 / barrel and GDP decline.

# Fleet plan

## Aircraft by seat count

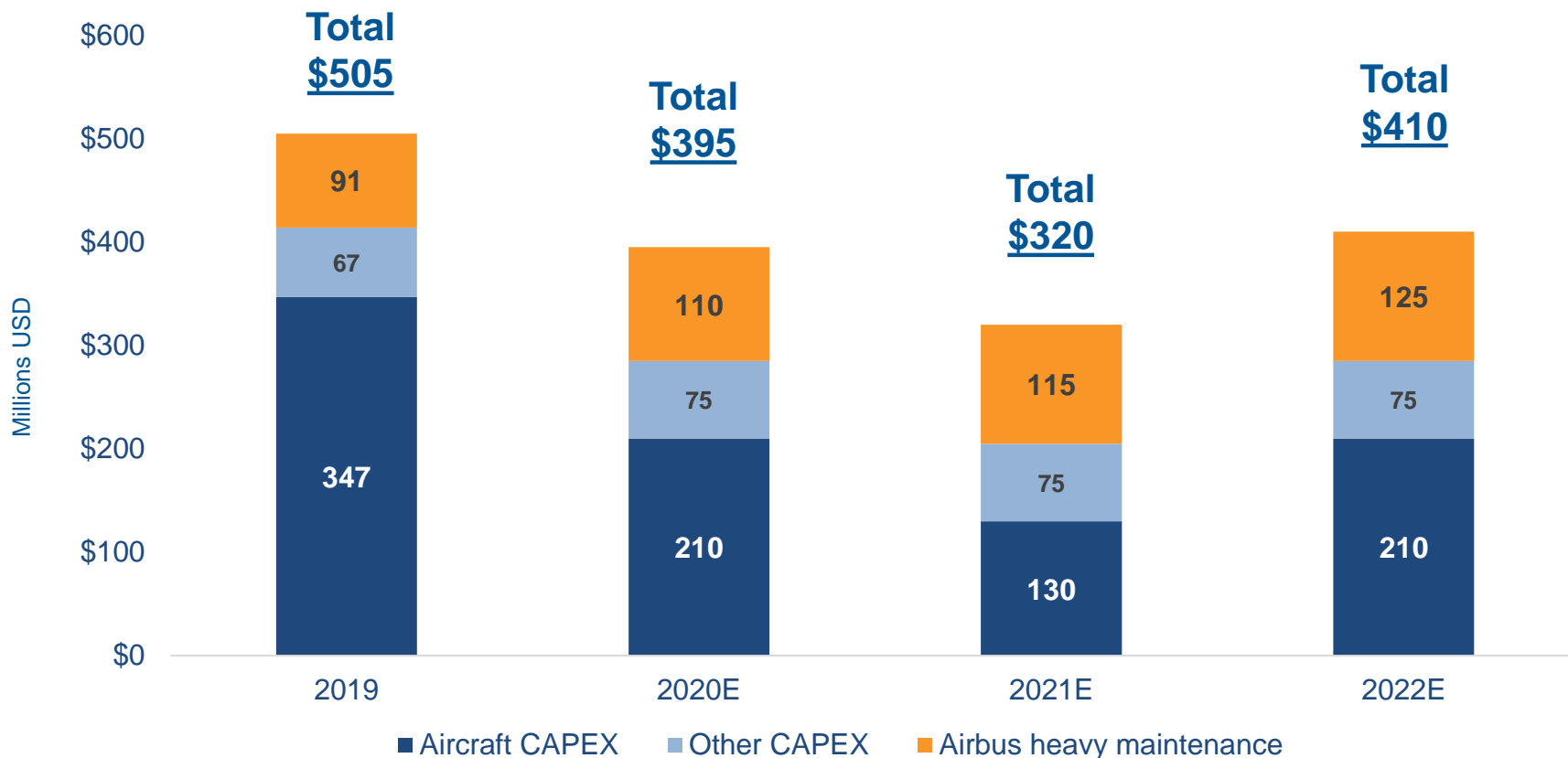


Estimated aircraft count at end of year  
 186 seat density project dependent on outside supply chains and could impact the schedule



# Capex & Airbus heavy maintenance

## Airline capital expenditures (\$ millions)



Estimates are based on various assumptions which may not materialize

2020 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



# 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



# Unique business model and results

## ■ Highly resilient and profitable

- Profitable last 68 quarters <sup>(1)</sup>
- 2019 EBITDA \$520mm <sup>(2)</sup>
- 2019 Return on Equity 29%<sup>(2)</sup>

## ■ Strong balance sheet

- Rated BB- and Ba3<sup>(3)</sup>
- Adjusted debt/ EBITDAR 2.7x<sup>(2)</sup>
- \$45.6mm returned to shareholders 2019
  - \$85 mm in share repurchase authority as of 1/31/20
- 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

# Existing guidance - 2020

- **2020 FY EPS \$16.50 to \$19.00 per share**
- FY 20 airline CASM ex growth (2) to 0%
- FY 20 ASMs per gallon 82.5 to 83.5
- FY 20 interest expense \$75mm to \$80mm
- FY 20 capitalized interest \$16mm to \$19mm
- FY 20 effective tax rate 23% to 24%
- FY 20 share count 16.0m
- FY 20 airline CAPEX \$275mm to \$295mm\*
- FY 20 capitalized Airbus deferred heavy maintenance \$100mm to \$120mm
- FY 20 ownership expense (D/A + AC rent) \$180mm to \$190mm

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## Full year 2020

System ASMs

10 to 12%

Scheduled ASMs

10 to 12%

Guidance subject to change

\* Excludes deferred heavy maintenance, Sunseeker Resorts and non-airline capex



# Sunseeker guidance

## ■ Sunseeker Resorts

- Project spend to date - \$99mm
- Total project spend remaining - \$371mm
- Expected 2020 spend - \$325 to \$350mm
- Expected 2021 spend - \$21 to \$46mm

Guidance subject to change

# Appendix



# GAAP reconciliation

## EBITDA calculations

\$mm	2019	2018	2017	2016	2015
Operating income as reported (GAAP)	364.0	243.5	227.2	370.6	371.7
+Depreciation and Amortization	155.9	129.4	121.7	105.2	98.1
<b>=EBITDA</b>	<b>519.9</b>	<b>372.9</b>	<b>348.9</b>	<b>475.8</b>	<b>469.8</b>
<b>+ Write down of MD-80 fleet</b>			<b>35.3</b>		
<b>=Adjusted EBITDA</b>	<b>519.9</b>	<b>372.9</b>	<b>384.2</b>	<b>475.8</b>	<b>469.8</b>
+ Aircraft lease rental	-	0.9	3.1	0.9	2.3
<b>=EBITDAR</b>	<b>519.9</b>	<b>373.8</b>	<b>387.3</b>	<b>476.7</b>	<b>472.1</b>
Total debt	1,421.9	1,271.7	1,164.9	808.2	641.7
+Operating leases (2019) or 7 x annual aircraft lease rent	-	<u>6.3</u>	<u>21.7</u>	<u>6.3</u>	<u>16.1</u>
Adjusted total debt	1,421.9	1,278.0	1,186.6	814.5	657.8
<b>=Adjusted Debt to EBITDAR</b>	<b>2.7x</b>	<b>3.4x</b>	<b>3.1x</b>	<b>1.7x</b>	<b>1.4x</b>
Average # of in service aircraft in period	86	91	87	83	74
<b>=EBITDA per aircraft</b>	<b>6.1</b>	<b>4.1</b>	<b>4.4</b>	<b>5.7</b>	<b>6.4</b>
Interest expense	76.8	53.8	39.0	28.8	26.5
<b>= Interest coverage</b>	<b>6.8x</b>	<b>6.9x</b>	<b>9.9x</b>	<b>16.5x</b>	<b>17.7x</b>

# GAAP reconciliation

## Return on equity

<b>\$mm</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Net Income as reported (GAAP)	232.1	161.8	198.1	220.9	

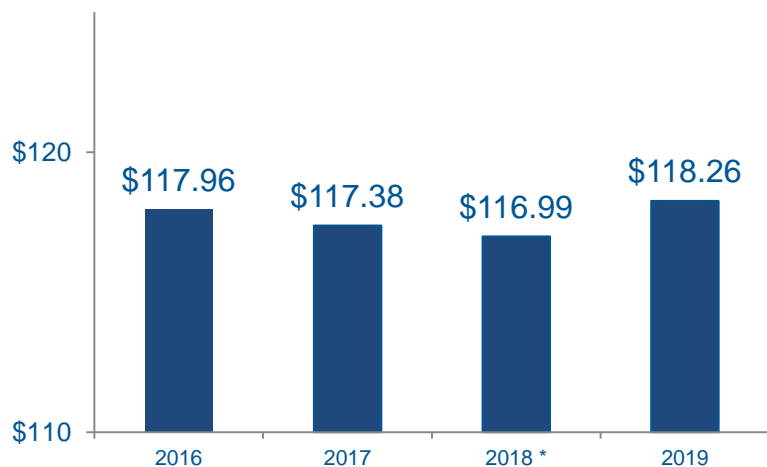
	<b>Dec 2019</b>	<b>Dec 2018</b>	<b>Dec 2017</b>	<b>Dec 2016</b>	<b>Dec 2015</b>
Total shareholders equity	883.6	690.3	553.3	473.6	350.0
<b>Return on equity</b>	<b>29%</b>	<b>26%</b>	<b>36%</b>	<b>54%</b>	

ROE = Net income / Avg shareholders equity

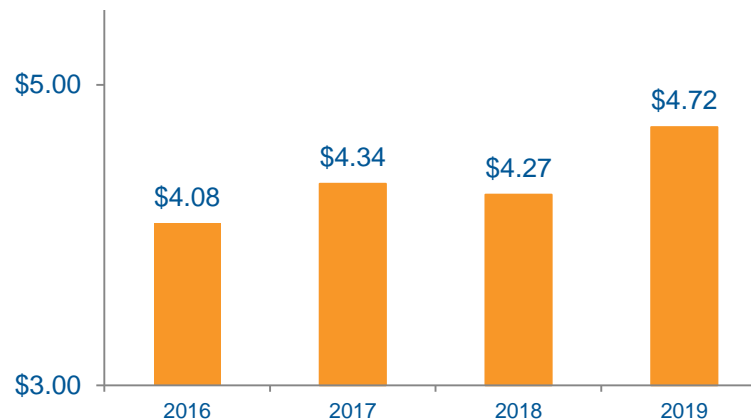


# Revenue components

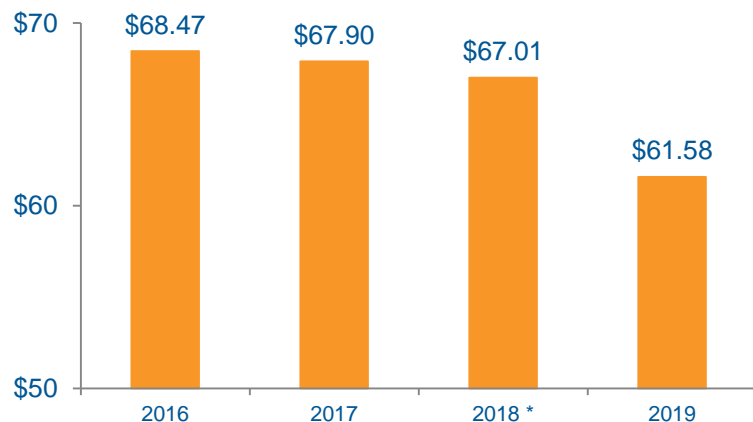
Average fare - total



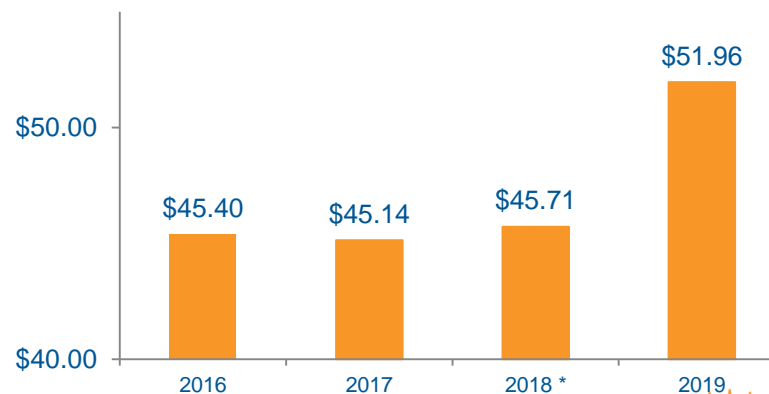
Average fare - ancillary third party products



Average fare - scheduled service



Average fare - ancillary air-related charges



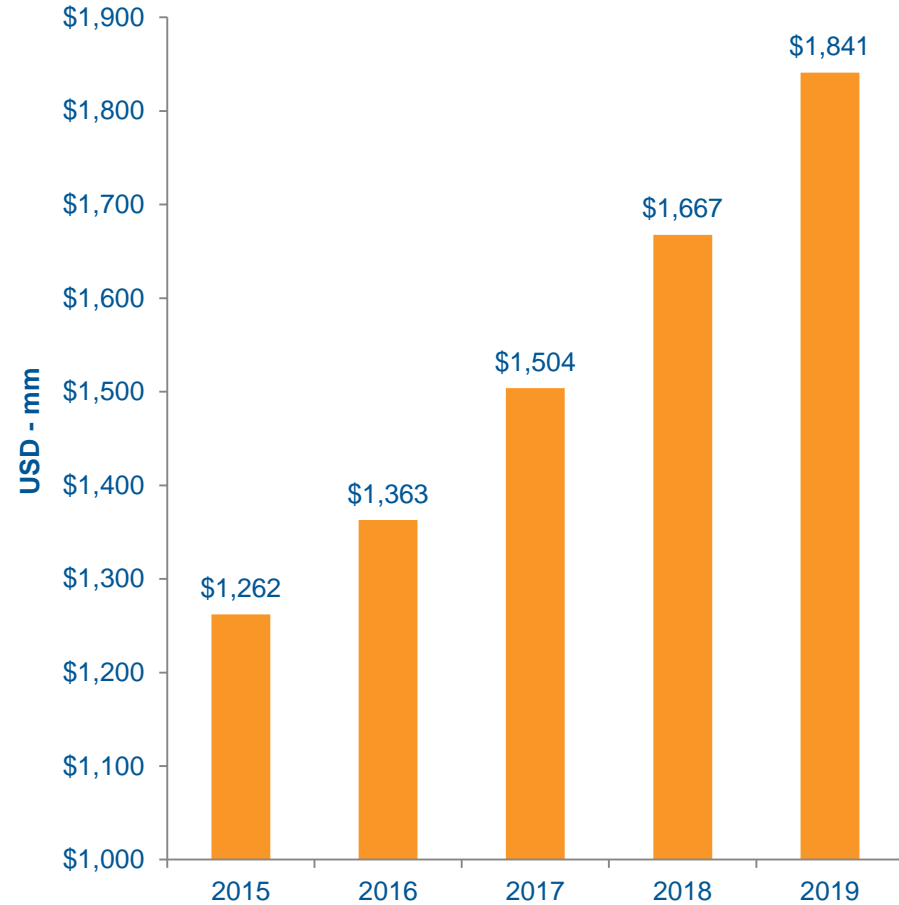
All revenue is revenue per scheduled passenger

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



# Measured, profitable growth

## Total revenue



## Scheduled ASMs

