

Management Presentation

May 2014



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.

Unique business model and results

■ Highly resilient and profitable

- Profitable last 45 quarters ⁽¹⁾
- \$231mm EBITDA ⁽²⁾ LTM 1Q14
- LTM 1Q14 Return on Capital 16.5%⁽²⁾

■ Strong balance sheet

- \$302 mm unrestricted cash ⁽³⁾
- \$149 mm debt ⁽⁴⁾
- Debt/EBITDA 1.5x⁽²⁾
- \$114mm YTD 2014 in capital returns⁽⁵⁾

■ Management owns >20%

Built to be different

Leisure customer

Small cities

Little competition

Low cost aircraft

Low frequency/variable capacity

Unbundled pricing

Closed distribution

Bundled packages

Highly profitable

(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) Unrestricted cash includes investments in marketable securities as of April 22, 2014

(4) Debt as of April 22, 2014

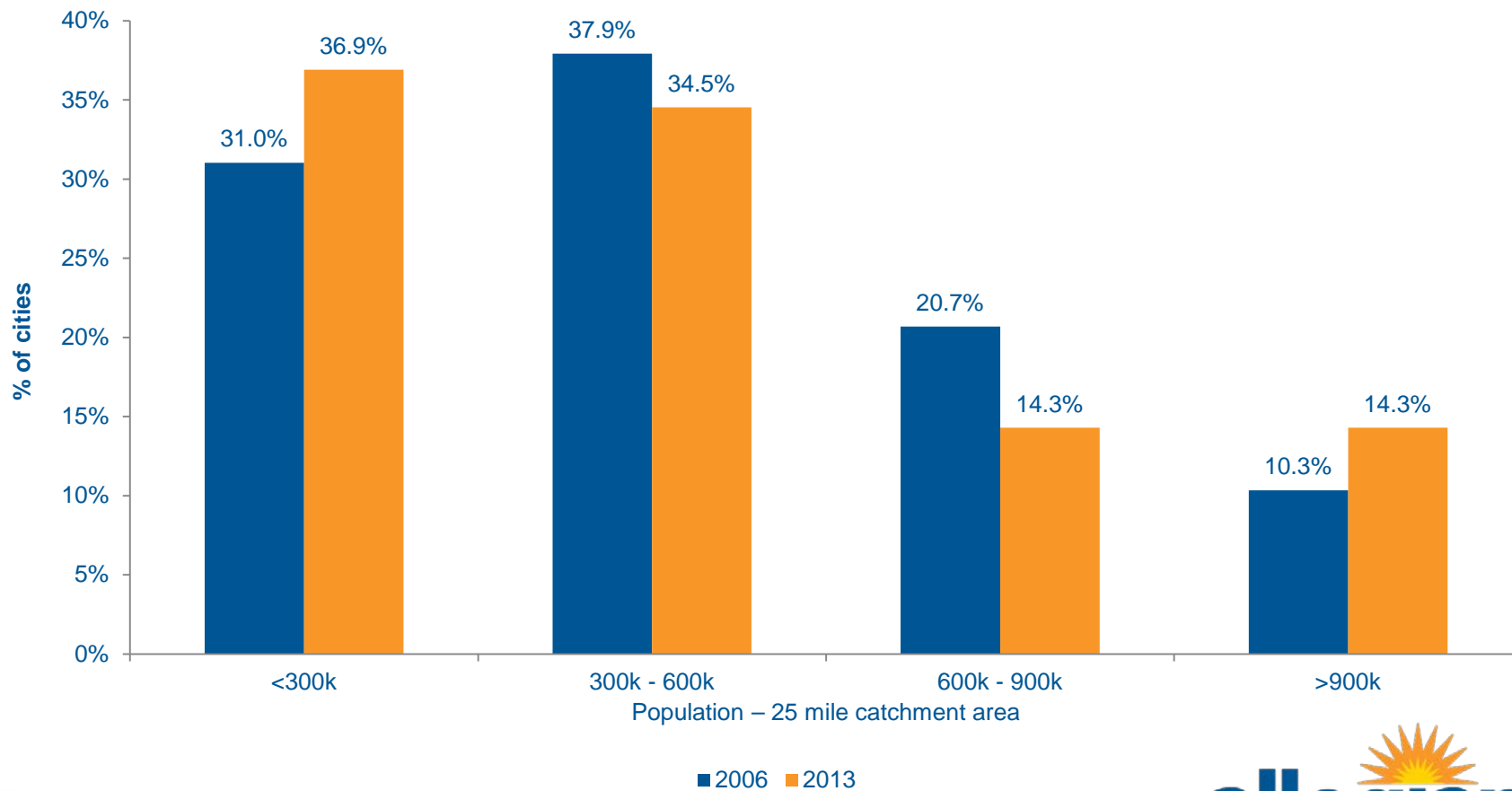
(5) Capital returns from 1/1/14 to 3/31/14



Still small city focused

- 62% of cities started in 2013 < 600k people within 25 miles

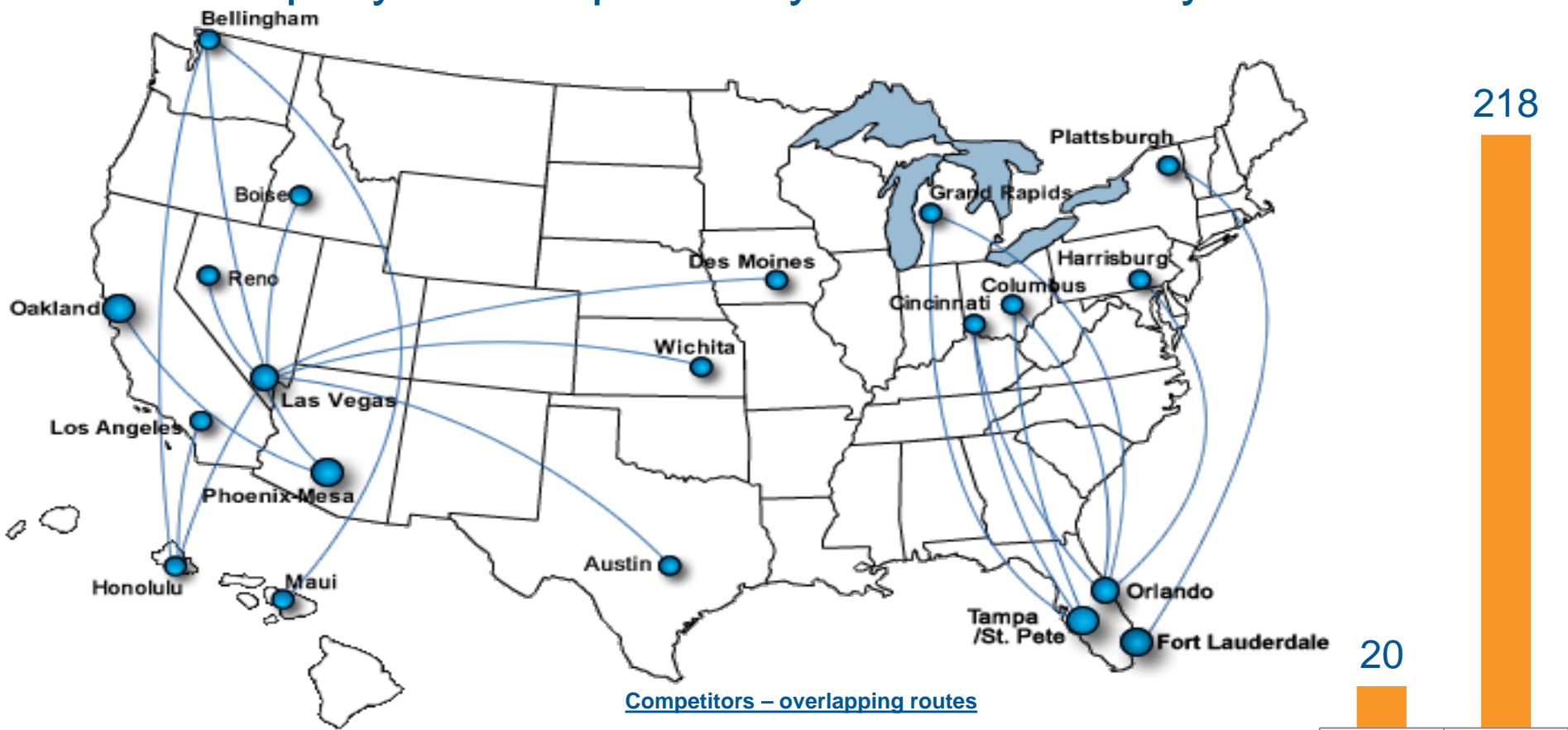
Origination cities – population within 25 miles



Population data as per Diio Mi

Little competition

Uniquely built to profitably serve small city markets



Competitors – overlapping routes

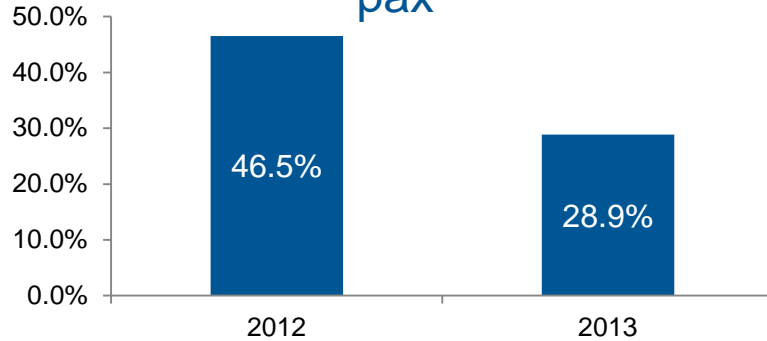
Frontier – 1	Spirit – 1	United – 1
Southwest – 11	US Airways - 2	Delta - 3
Hawaiian – 2	Alaska – 3	
	American - 1	

Based on current published schedule through Oct 28, 2014
Announcements and cancellations as of Apr 28, 2014



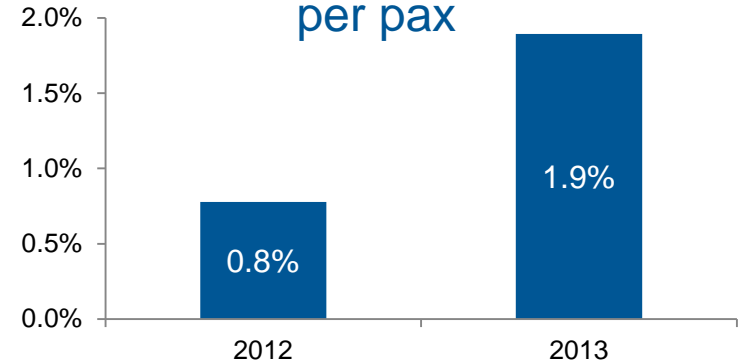
Ancillary air components – per passenger

YoY % change bag fees per pax



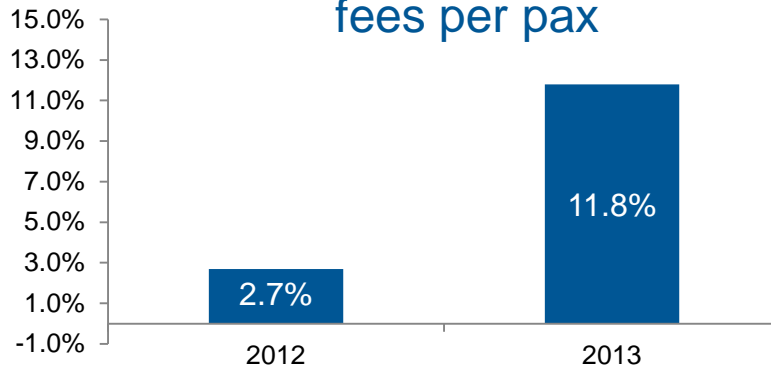
Includes carry-on and checked bags

YoY % change ticket fees per pax



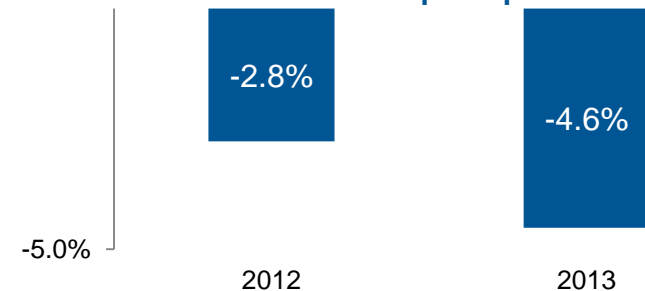
Includes convenience fee, triplex, change fees

YoY % change boarding/seat fees per pax



Includes seat assignments and priority boarding

YoY % change onboard sales per pax



Includes food and drinks purchased onboard

Ancillary fees

■ Still upside to fees

- Spirit received \$53.84 in non-ticket revenue/passenger in 2013
- Allegiant received \$40.52 in ancillary air revenue/passenger in 2013

Fee	Allegiant	Spirit
Checked bags	1 to 4 bags \$13 - \$43	1 st bag \$21-\$40, 2 nd bag \$31-\$50 3 rd to 5 th bag \$76-\$95
Carry-on bag	\$10 - \$33	\$21 - \$40
Seat selection	\$0 - \$80	\$0 - \$199
Convenience fee	\$10	\$8.99 - \$16.99
Call center booking fee	\$14.99	\$10
Cancellations	\$75	\$115 - \$125
Trip insurance – airfare only	\$8 - \$20	\$14 - \$21

Bag fee amounts are those applicable during the booking process
Data as of 5/7/14

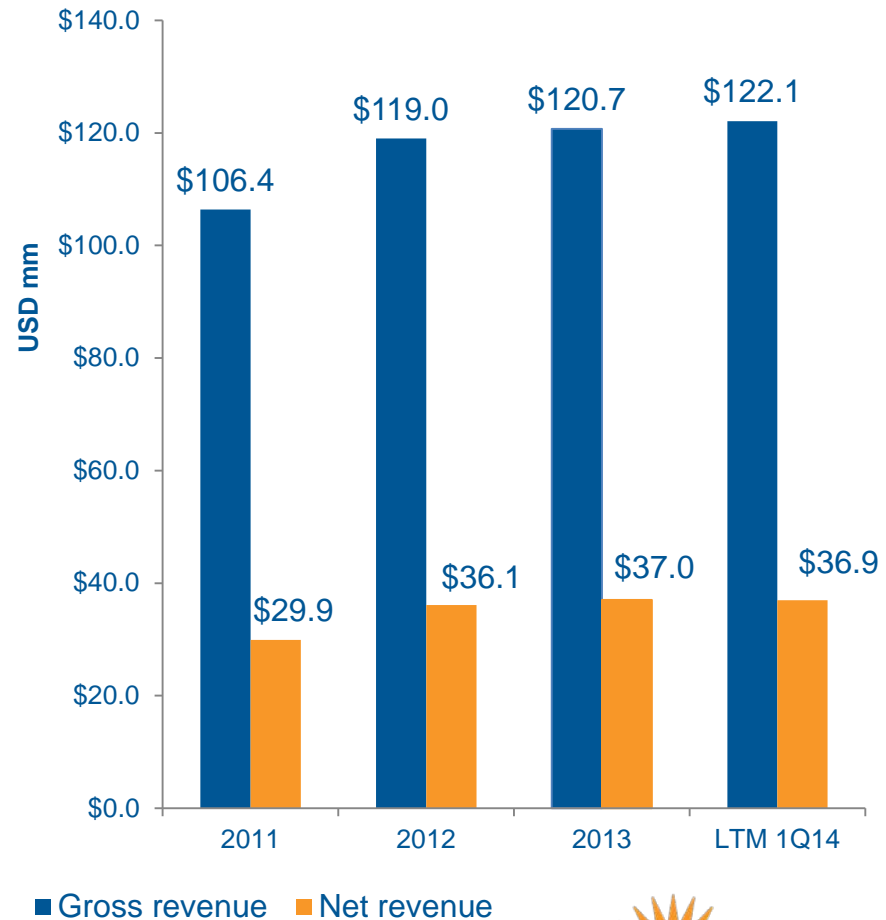


Ancillary revenue – third party products

- Bundled vacation packages
- Very high margins
 - 25% of LTM 1Q14 pre-tax income
- Wholesale price for hotel & car, we manage margin, no inventory risk
- Hotel – dominated by Las Vegas
 - 2012 – LAS 34% of departures*
 - 2013 – LAS 31% of departures*
- Developing tools to spur growth
 - Customer database - 2014
 - Super PNR - 2014
 - Land only rates – began 4Q13

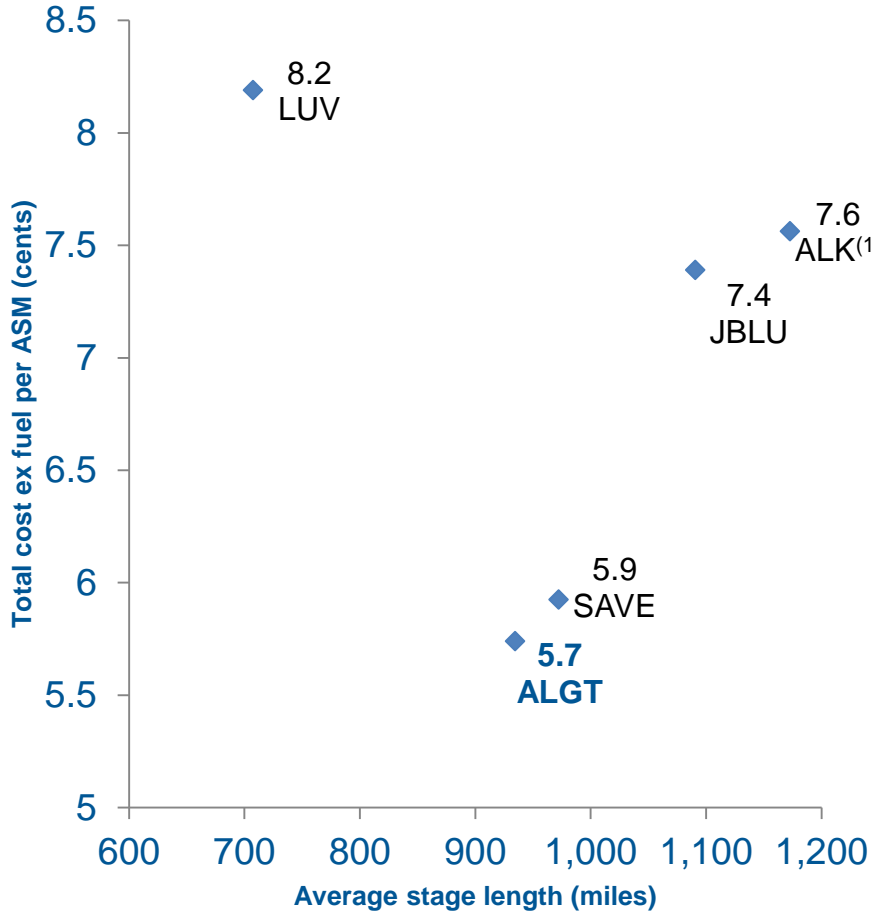
* - departures are total scheduled departures

Ancillary revenue – 3rd party

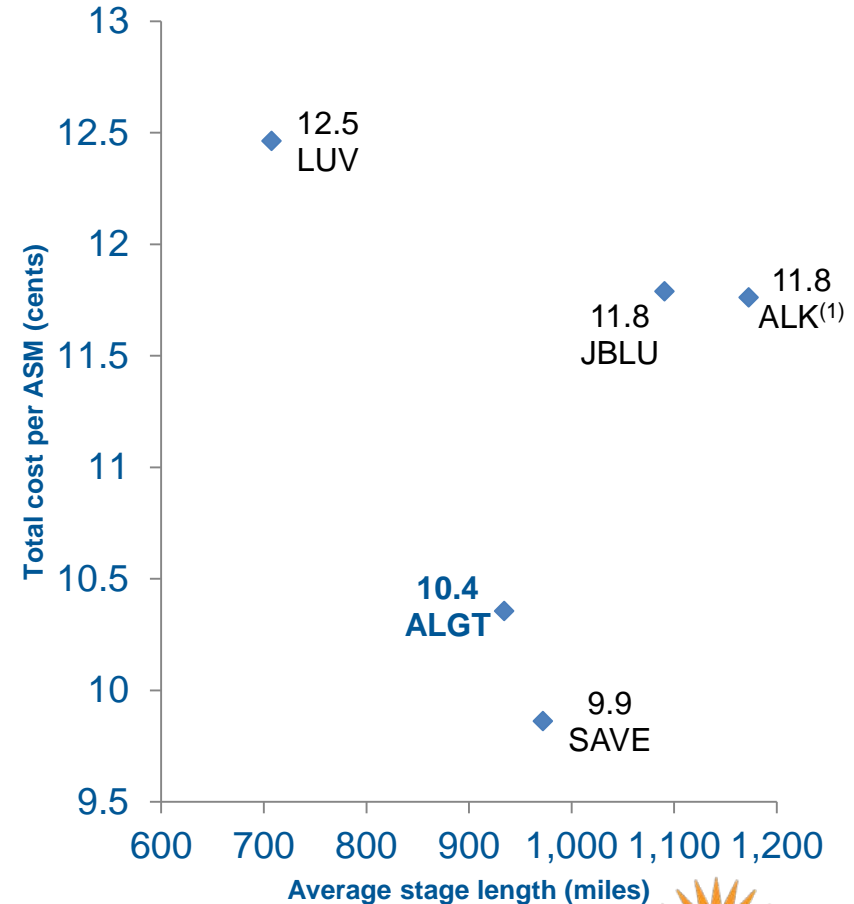


Excellent cost structure

Operating cost ex fuel/ASM
(CASM ex) vs stage length



Operating cost/ASM (CASM)
vs stage length



(1) ALK is mainline statistics

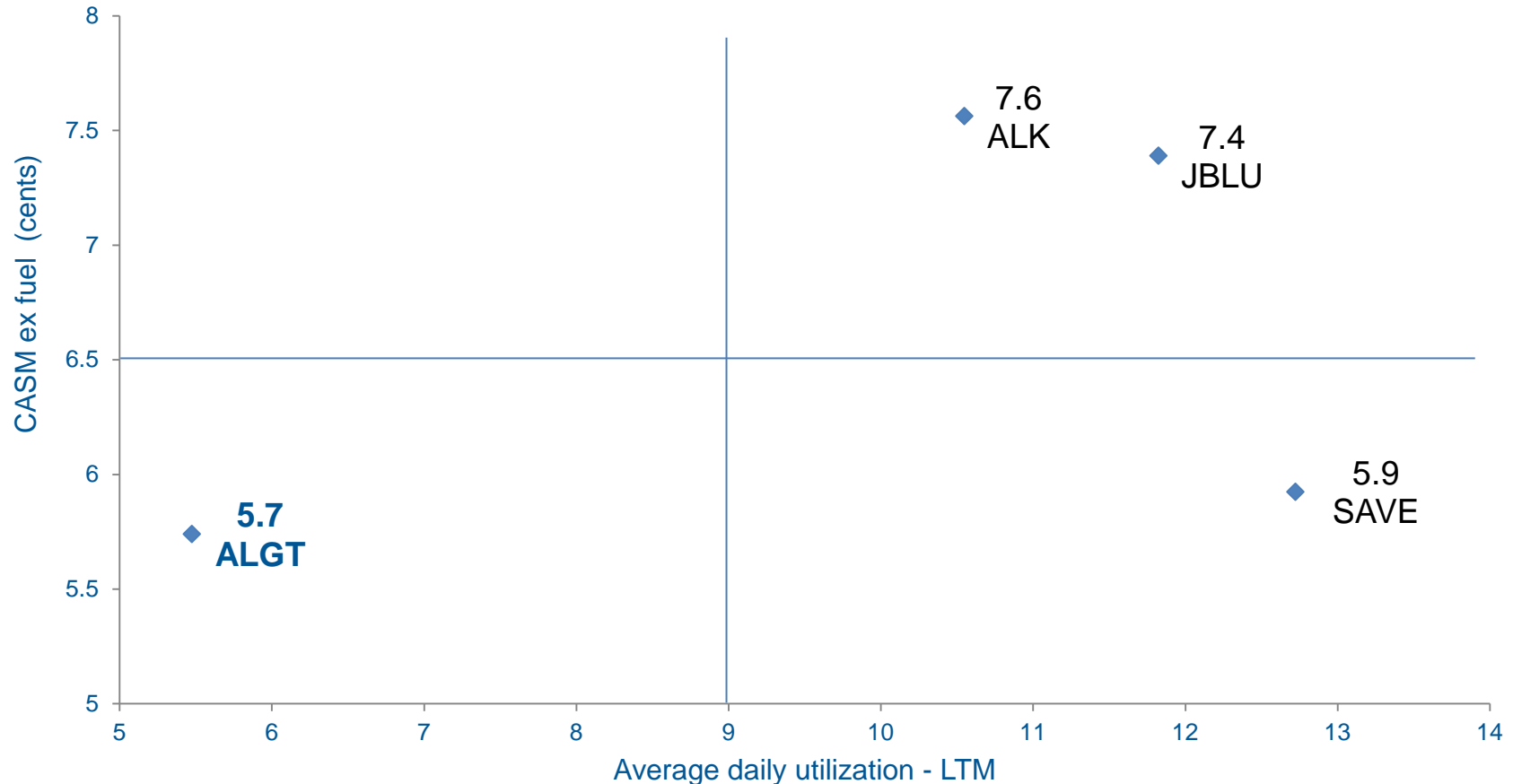
LUV = Southwest Airlines, ALK = Alaska Airlines, JBLU = JetBlue Airways, SAVE = Spirit

Time period – LTM 1Q14. ASM – available seat miles,



Low costs even with low utilization

CASM ex fuel vs daily utilization



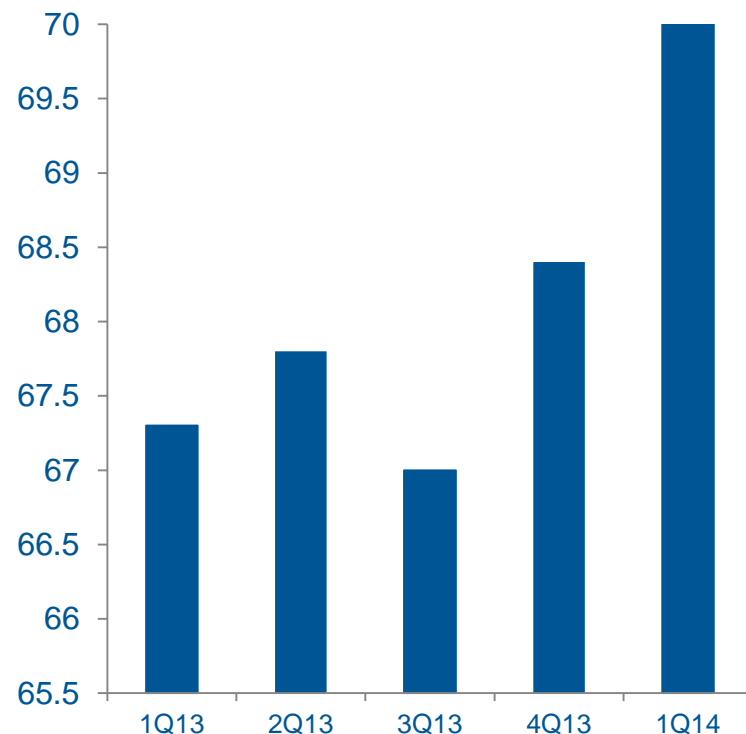
As of LTM 1Q14 ALGT – Allegiant, JBLU – JetBlue, ALK – Alaska mainline, Save - Spirit



Airbus growth will help improve fuel burn

Aircraft / seats	Gal / BH	% of AC YE13	% of AC YE14*
MD-80 / 166	950	79%**	76%
757 / 215	1,100	9%	9%
A319 / 156	750	5%	6%
A320 / 177	780*	8%	10%

Historical ASMs per gallon



* - estimate

** - includes one 150 seat MD-80

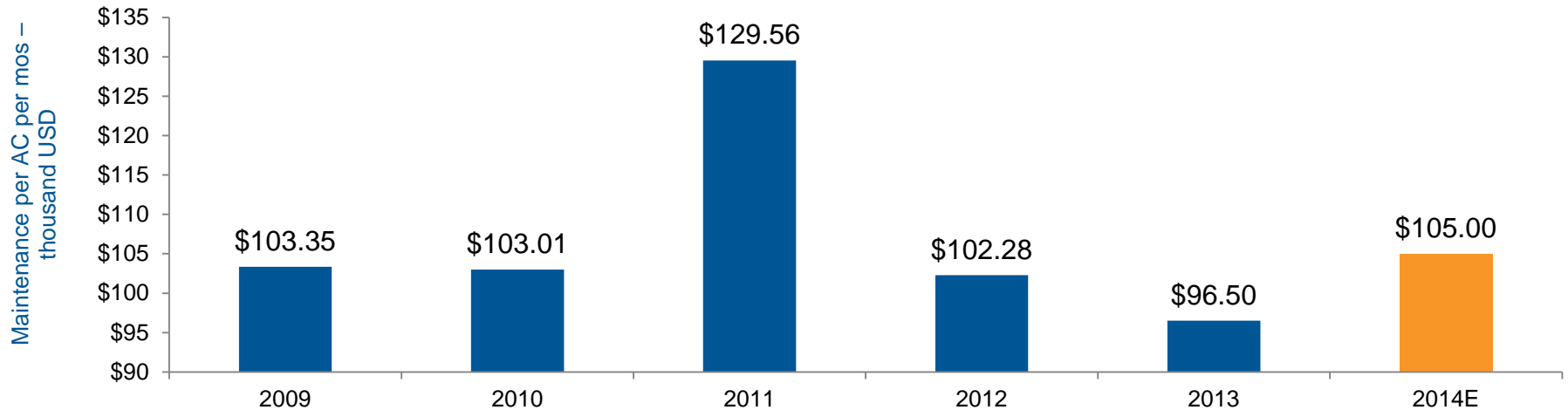


Stable maintenance costs

■ Very consistent over time

- 2011 impacted by one time MD-80 engine refresh ~ \$20 million
- 2014 expect 11 more scheduled heavy checks than 2013

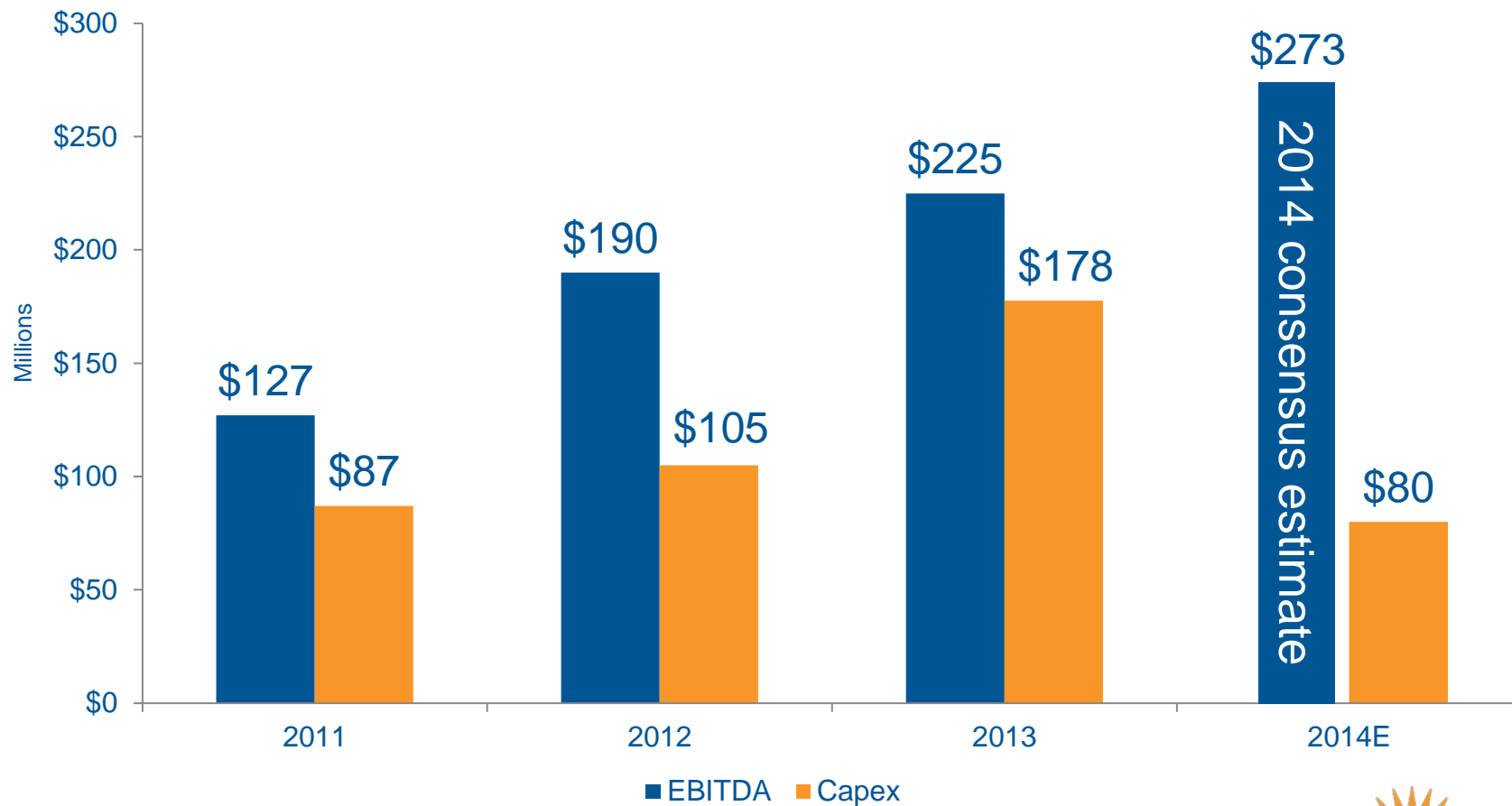
Maintenance per aircraft per month



Heavy airframe events are scheduled airframe structural events and only constitute a portion of total maintenance expense
2014E is midpoint of guided range of \$100 - \$110 thousand

This business model generates cash

Historic EBITDA vs CAPEX spend



See reconciliation tables for EBITDA

2014E CAPEX represents midpoint of guided range

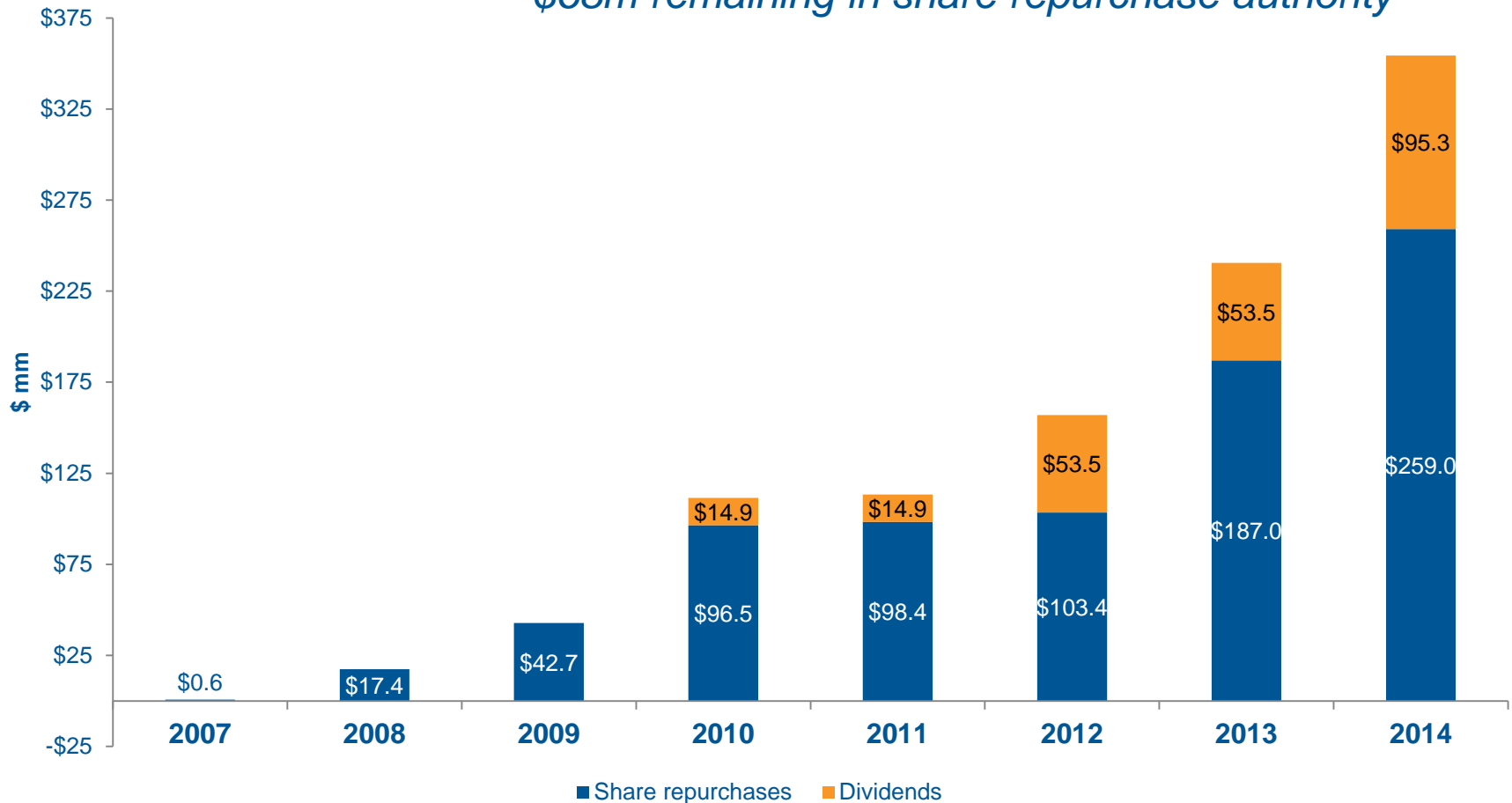
Consensus – Consists of 10 EBITDA estimates reflected in First Call as of 5/9/14



Cumulative return to shareholders

\$354m returned to shareholders since 2007

\$68m remaining in share repurchase authority*



* - remaining share repurchase authority as of 3/31/14
2014 includes activity up to 3/31/14



Guidance

- 2Q14 PRASM 2 to 4%
- 2Q14 TRASM 0.5 to 2.5%
- 2Q14 CASM ex fuel +5 to 7%
- FY14 CASM ex fuel +4 to 7%
- 2Q14 Fixed fee + other revenue \$1mm to \$3mm
- FY14 CAPEX \$75mm to \$85mm

	2ND Quarter 2014	3RD Quarter 2014	Full year 2014
System departures	10 to 12%	10 to 14%	
System ASMs	7 to 9%	9 to 13%	9 to 13%
Scheduled departures	10 to 12%	10 to 14%	
Scheduled ASMs	7 to 9%	9 to 13%	9 to 13%

Guidance subject to change



Appendix

GAAP reconciliation

EBITDA calculations

\$mm	LTM 1Q14	2013	2012	2011
Net Income	94.6	92.3	78.6	49.4
+Provision for Income Taxes	56.5	54.9	46.2	30.1
+Other Expenses	9.4	8.5	7.8	5.9
+Depreciation and Amortization	70.8	69.3	57.5	42.0
=EBITDA	231.3	225.0	190.1	127.4
Total debt	229.3	234.3	150.9	146.0
+7 x annual rent	<u>128.5</u>	<u>64.6</u>	<u>0</u>	<u>7.7</u>
Adjusted total debt	357.8	298.9	150.9	153.7
=Adjusted Debt to EBITDA	1.5x	1.3x	0.8x	1.2x
Average aircraft in period	64	63	60	52
=EBITDA per aircraft	3.6	3.6	3.2	2.4
Interest expense	10.4	9.5	8.7	7.2
= Interest coverage	22.2x	23.7x	21.9x	17.7x

GAAP reconciliation

Return on equity

\$mm	LTM 1Q14		2013	2012	2011		
Net Income (\$mm)	94.6		92.3	78.6	49.4		
		Mar 2014	Mar 2013	Dec 2013	Dec 2012	Dec 2011	Dec 2010
Total shareholders equity (\$mm)		342.9	412.2	377.3	401.7	351.5	297.7
Return on equity		25%		24%	21%	15%	

ROE = Net income / Avg shareholders equity



GAAP reconciliation

Return on capital employed calculation

\$mm	LTM 1Q14	LTM 1Q13	2013	2012	2011
+ Net income	94.6	88.8	92.3	78.6	49.4
+ Income tax	56.5	52.1	54.9	46.2	30.1
+ Interest expense	10.4	8.9	9.5	8.7	7.2
- Interest income	(1.0)	1.0	1.0	1.0	1.2
	160.5	148.8	155.7	132.5	85.5
+ Interest income	1.0	1.0	1.0	1.0	1.2
Tax rate	37.4%	37%	37.4%	37.1%	37.9%
Numerator	101.1	94.4	98.1	84.0	53.9
Total assets prior year	859.3	793.2	798.2	706.7	501.3
- Current liabilities prior year	260.0	243.8	210.7	177.6	166.6
+ ST debt of prior year	11.9	8.1	11.6	8.0	16.5
Denominator	611.2	557.5	599.3	537.1	351.2
= Return on capital employed	16.5%	16.9%	16.4%	15.6%	15.3%

GAAP reconciliation

Free cash flow calculations

\$mm	LTM 1Q14	2013	2012	2011
Cash from operations	196.4	196.9	176.8	129.9
- CAPEX	175.5	177.5	105.1	88.0
= Free cash flow	20.9	19.4	71.7	41.9

GAAP reconciliation

Net debt

\$mm

	Mar 2014	Dec 2013	Dec 2012	Dec 2011
Current maturities of long term debt	20.4	20.2	11.6	7.9
Long term debt, net of current maturities	208.9	214.1	139.2	138.2
Total debt	229.3	234.3	150.8	146.1
Cash and cash equivalents	90.1	97.7	89.6	150.7
Short term investments	254.8	253.4	239.1	154.8
Long term investments	20.9	36.0	24.0	14.0
Total cash	365.8	387.1	352.7	319.5
= Net debt	(\$136.5)	(\$152.8)	(\$201.9)	(\$173.4)



Fleet plan – current order book

	2013	2014E	2015E
MD-80 (150 seat)	1	0	0
MD-80 (166 seat)	51	53	53
757 (223 seat)	6	6	6
A319 (156 seat)	3	4	10
A320 (177 seat)	5	7	9
Total	66	70	78
<i>YoY fleet growth</i>	<i>5%</i>	<i>6%</i>	<i>11%</i>

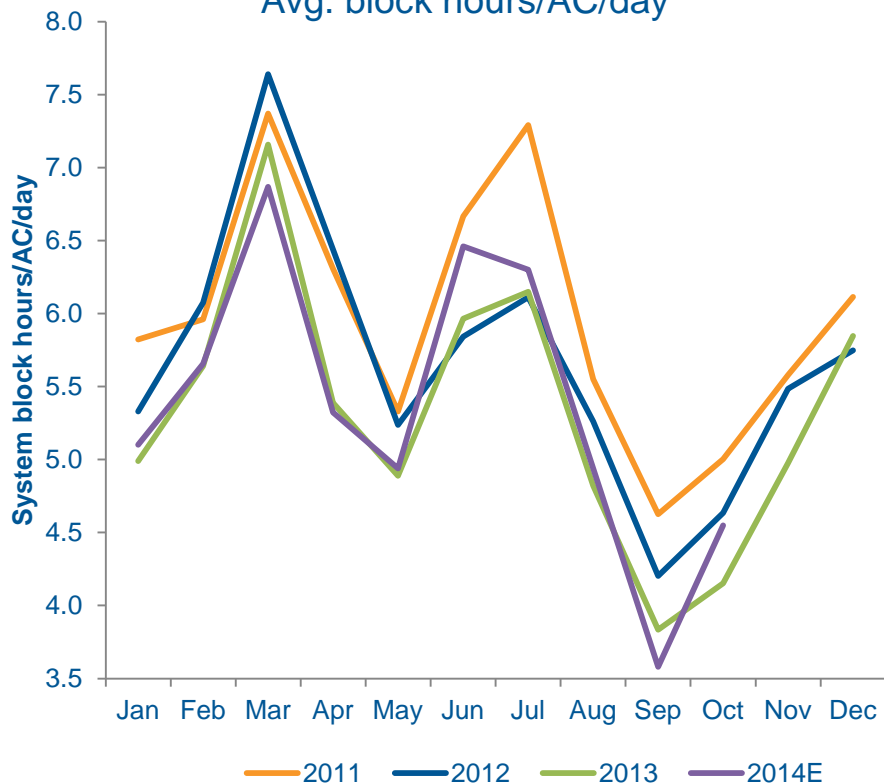
Actual and projected fleet count of in service aircraft – end of period



Staying profitable in small cities

Leisure = seasonality

Avg. block hours/AC/day



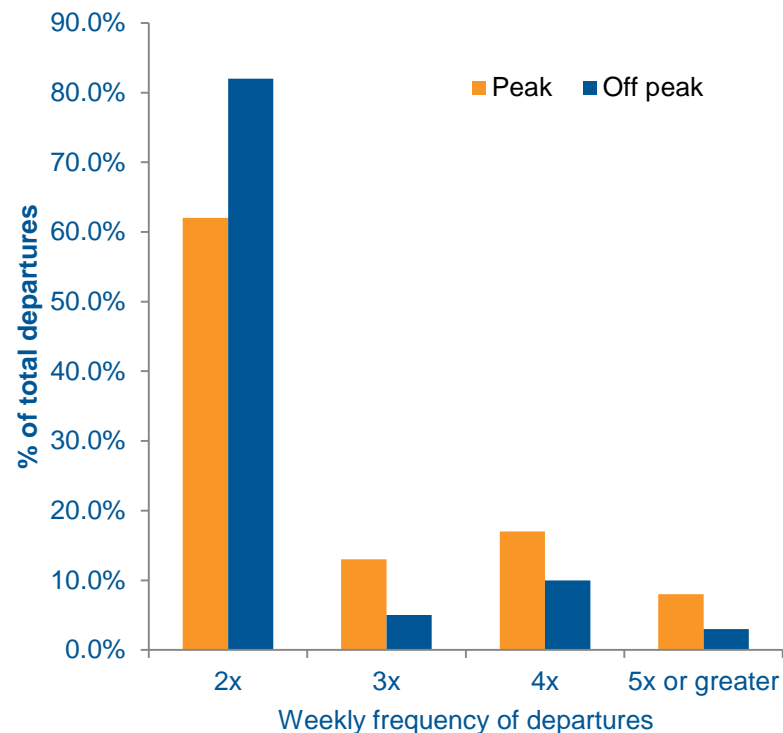
2011 2012 2013 2014E

Avg Sched AC ⁽²⁾ 50 58 65 70

1 - Peak = peak is defined as 2/13-4/9, 6/5-8/13, 11/20-12/3, 12/18-12/31. Remaining is off peak
 2 - Scheduled aircraft does not include the MD-80 dedicated to charter service, refers to end of period

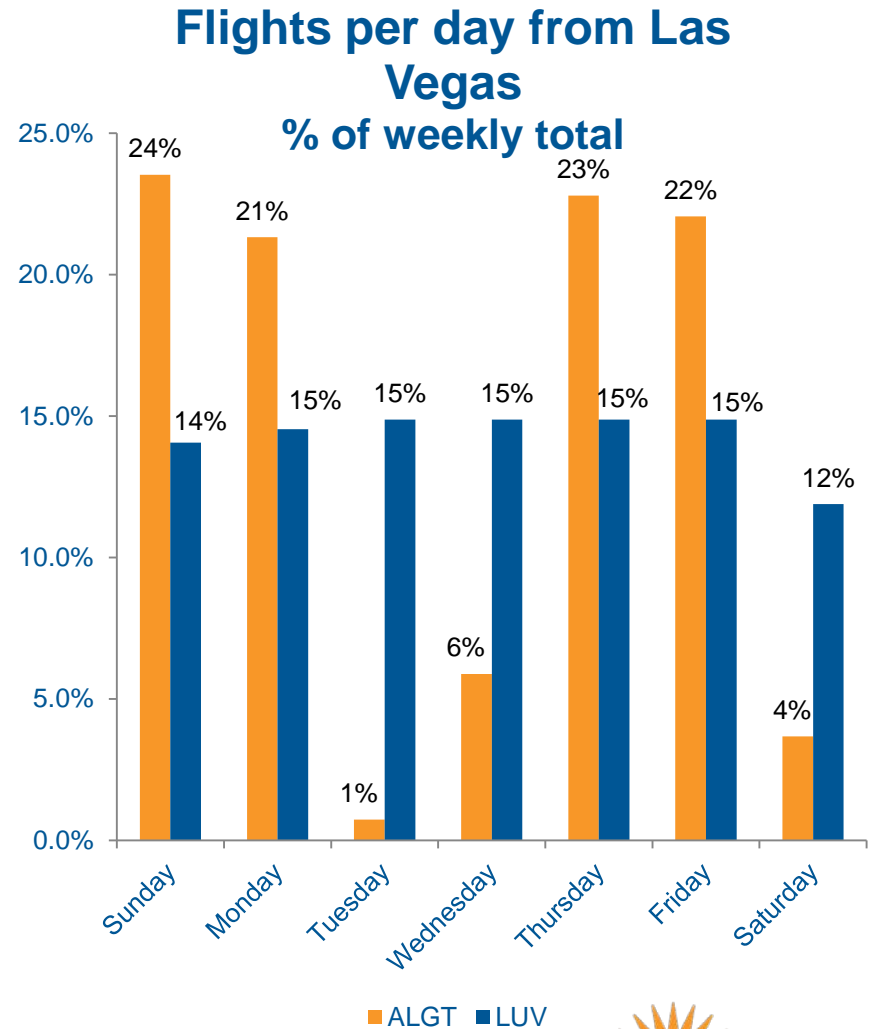
Small cities = low frequency⁽¹⁾

Weekly market frequency



Matching capacity to demand

- Peak day revenue premium
- Not scheduled for business travel
 - Less of a threat to competition
 - Little competitive response
- Low cost assets = flexibility
 - Maintain flexibility with Airbus

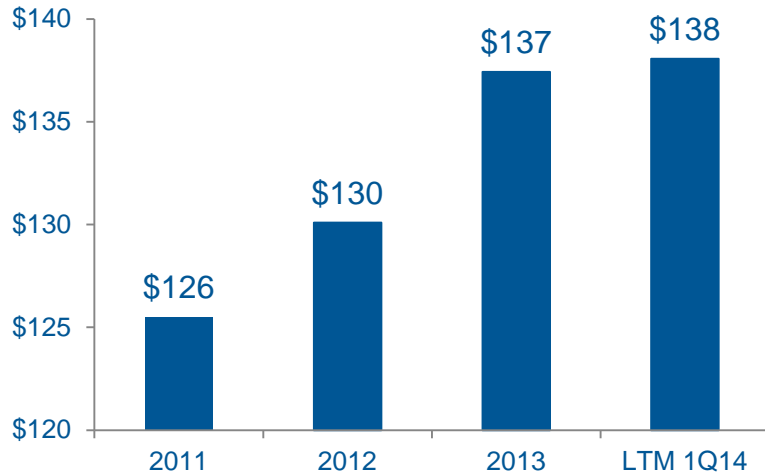


Flights per day from Las Vegas – based on published schedules from April 2014

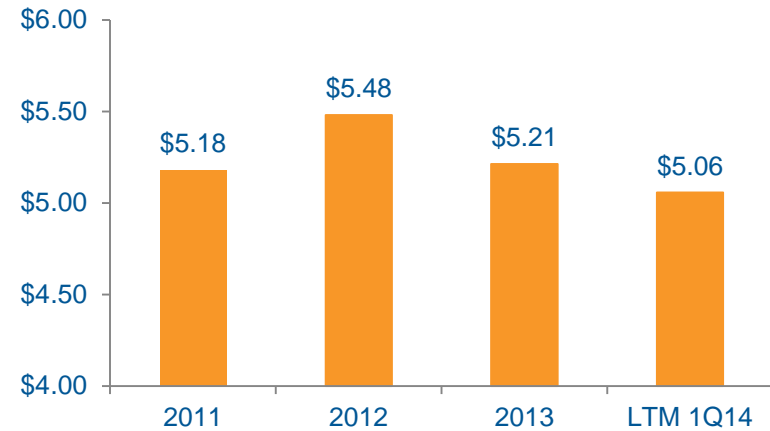


Revenue momentum

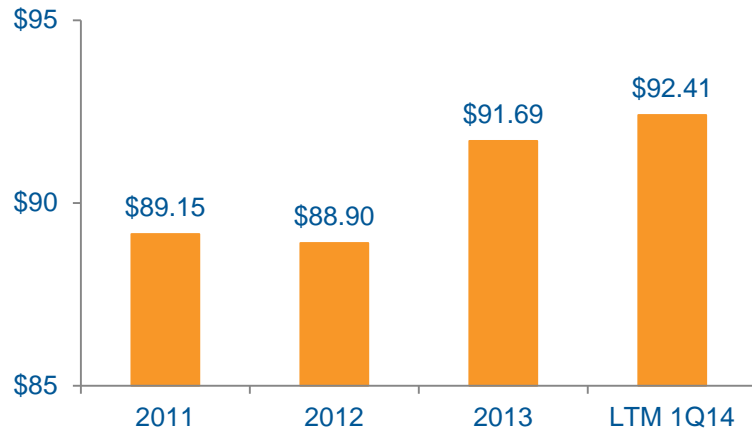
Average fare - total



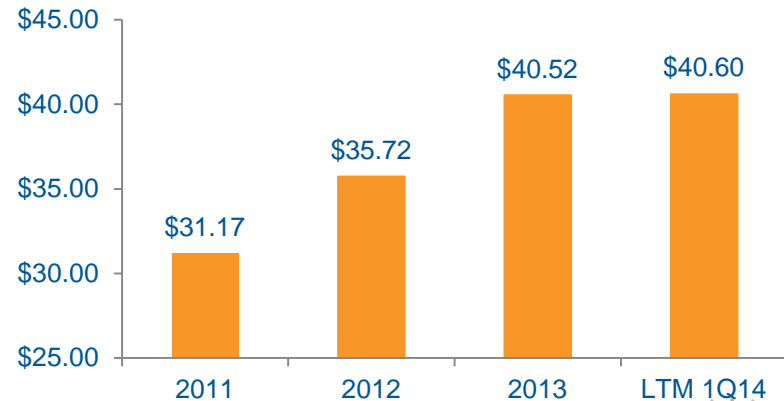
Average fare - ancillary third party products



Average fare - scheduled service



Average fare - ancillary air-related charges

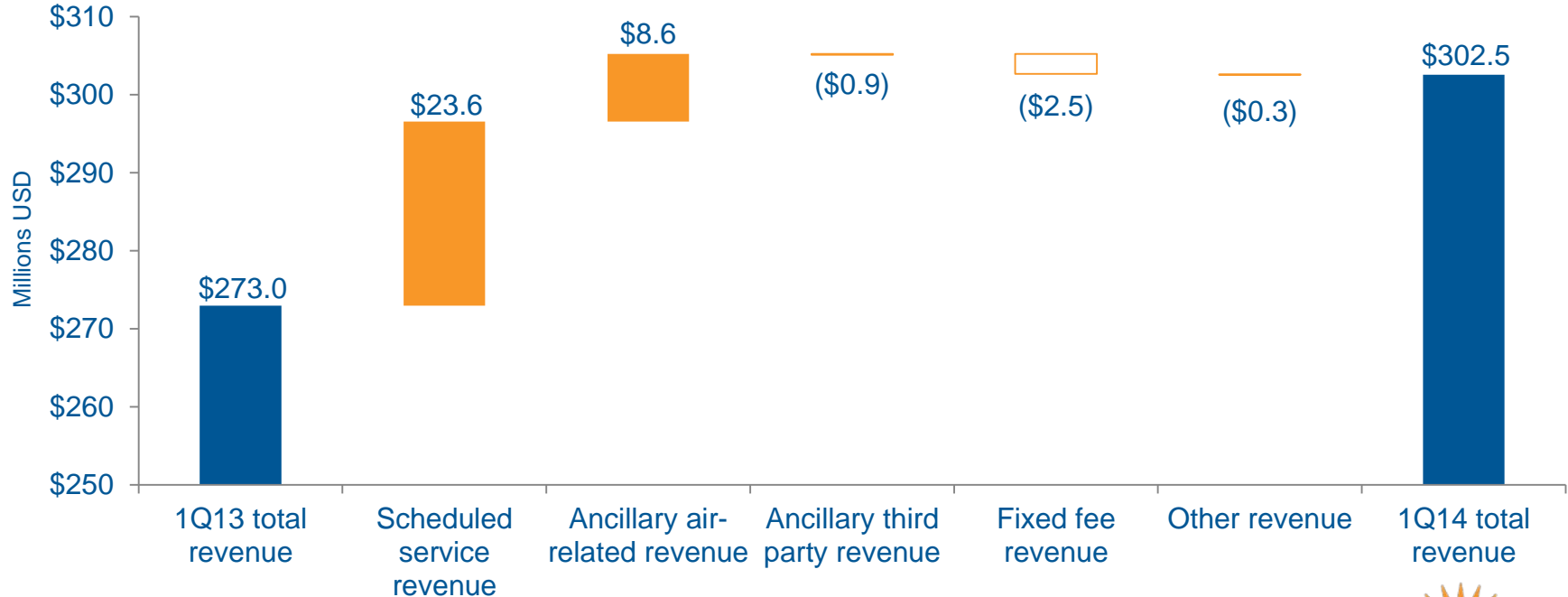


All revenue is revenue per scheduled passenger



Q1 summary - revenue

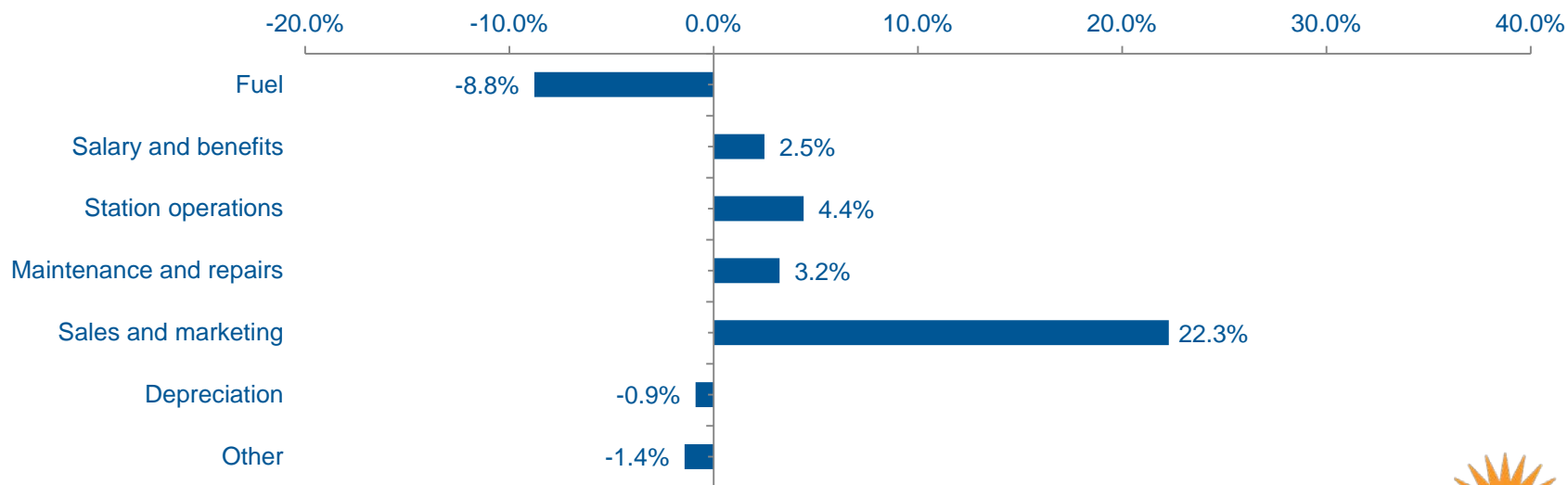
Scheduled revenue	10.9% growth in passengers, 2% increase in average fare
Air related ancillary	0.4% growth in ancillary per passenger
3 rd party ancillary	Gross margin decreased 1.5pp, hotel room nights decreased 8.1%
Fixed fee rev	Flight crew staffing issues had negative impact
Other rev	No significant change versus last year



Q1 summary - costs

Fuel	Gallons consumed increased 5.7%, while cost per gallon decreased 5%, ASM per gallon increased 4%
Salary/benefits	13% increase in FTEs, increase in stock based compensation expense
Station operations	System departures increased 9%, last quarter of higher comparison from Las Vegas airport costs
Maintenance	Higher number of maintenance events vs last year
Sales/marketing	Higher credit card interchange fees and additional promotional spend
Depreciation	Aircraft depreciation on a per aircraft basis, slightly down from last year
Other	Aircraft insurance and building rent slightly down versus last year

YoY change in expenses per ASM

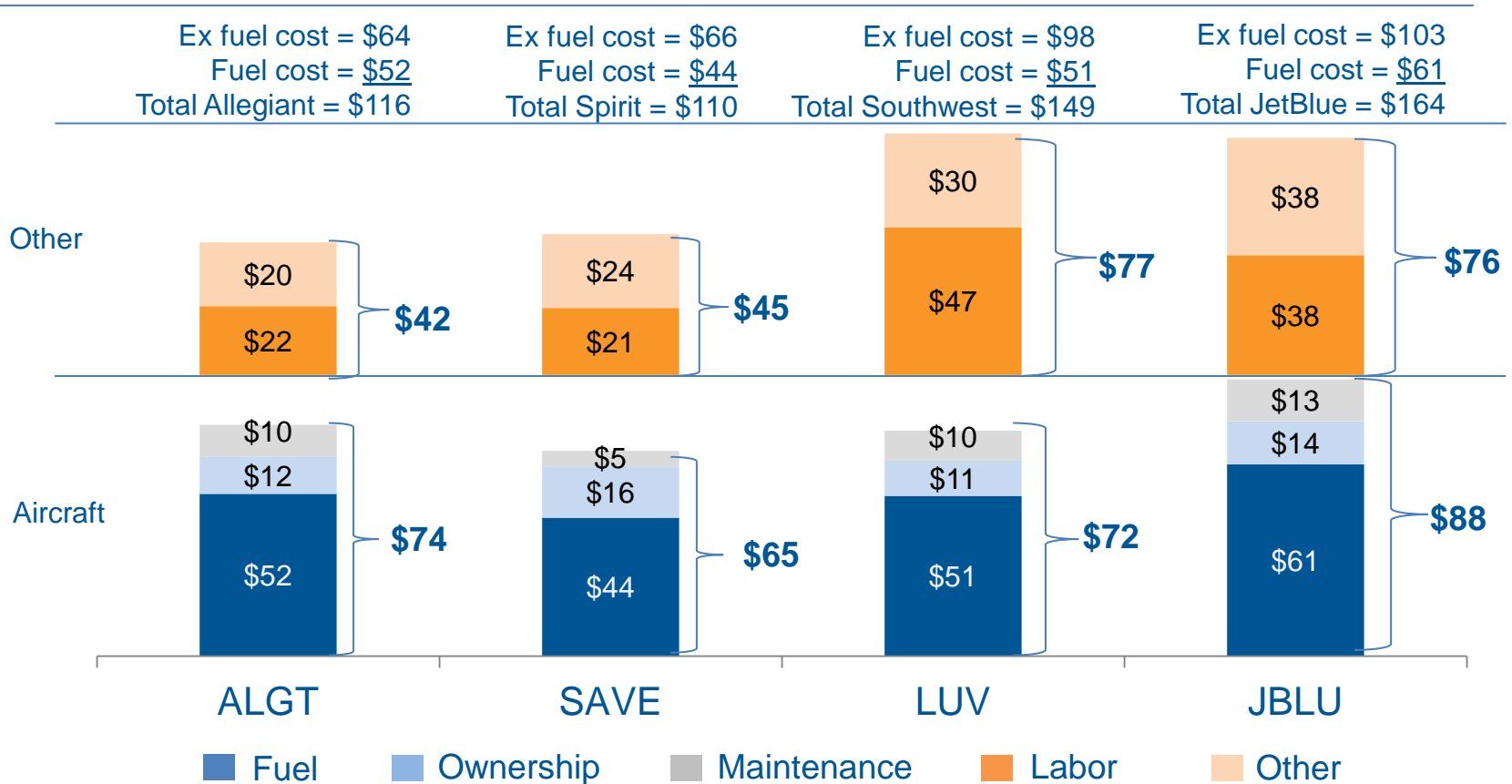


AC rent is not included as the expense level was not meaningful in 1Q13



Low cost drivers

LTM 1Q14 cost per passenger



Source: Company filings
 Ownership includes depreciation & amortization + aircraft rent
 Other excludes special items and one-time charges for other carriers

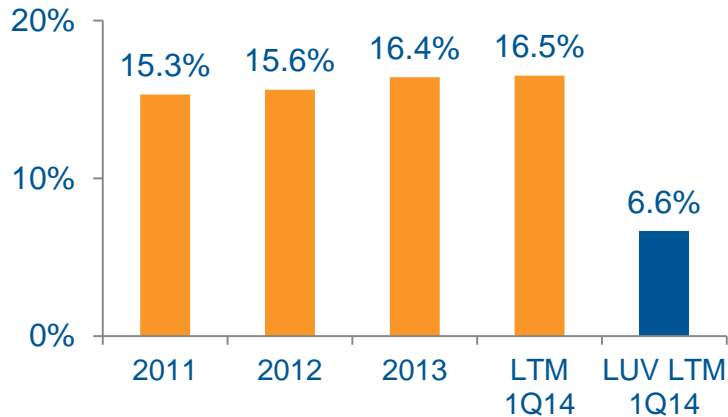


Growing op margin while fuel prices growing

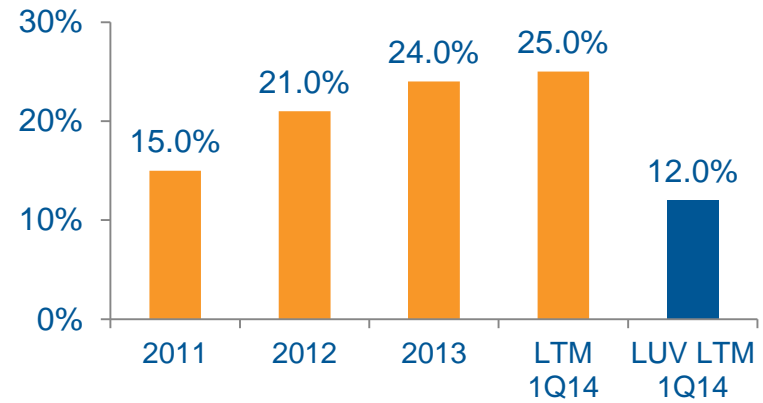
	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>
Op margin	15.8%	11.1%	14.6%	15.5%
Fuel/gal	\$2.30	\$3.07	\$3.18	\$3.20
YoY	31%	34%	4%	1%
Total fare	\$110.85	\$119.05	\$130.10	\$137.43
YoY	7%	7%	9%	6%
EPS	\$3.32	\$2.57	\$4.06	\$4.82
YoY	(12)%	(23)%	58%	19%
Sys ASMs (billions)	6.2	6.4	7.5	8.1
YoY	15%	3%	17%	9%
# Cities	73	76	87	100
YoY	6%	4%	15%	15%

Credit metrics

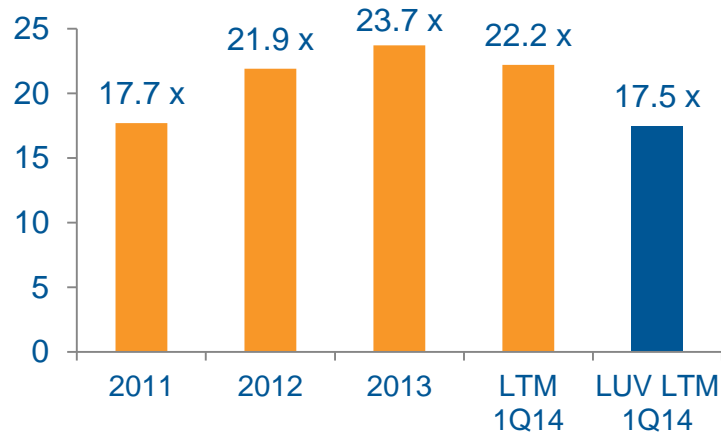
Return on capital employed



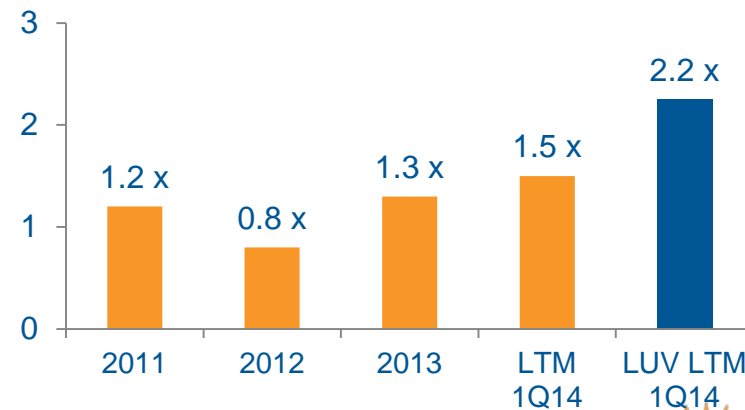
Return on equity



Interest coverage



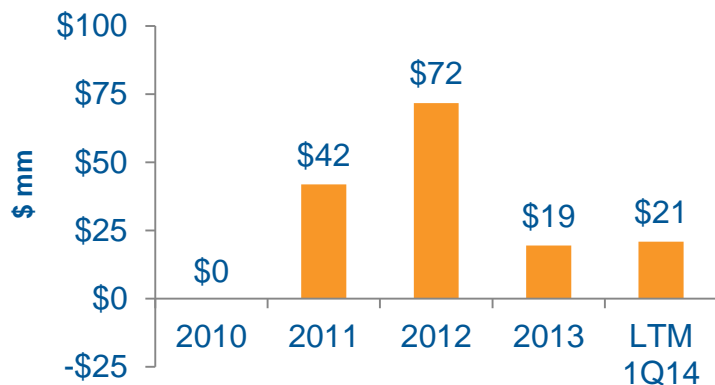
Debt / EBITDA



LUV = Southwest Airlines, based on published information

Strong cash generation

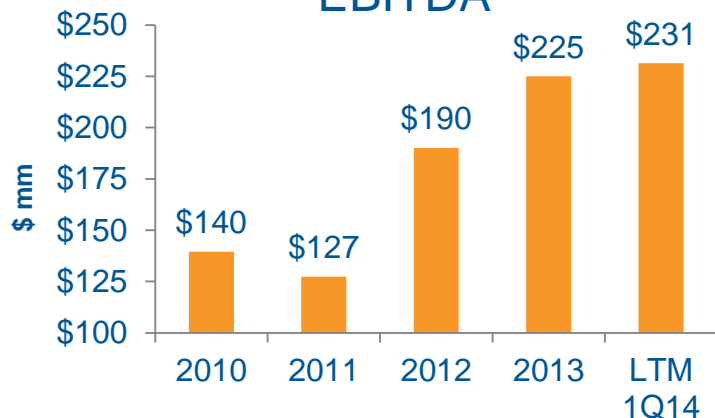
Free cash flow



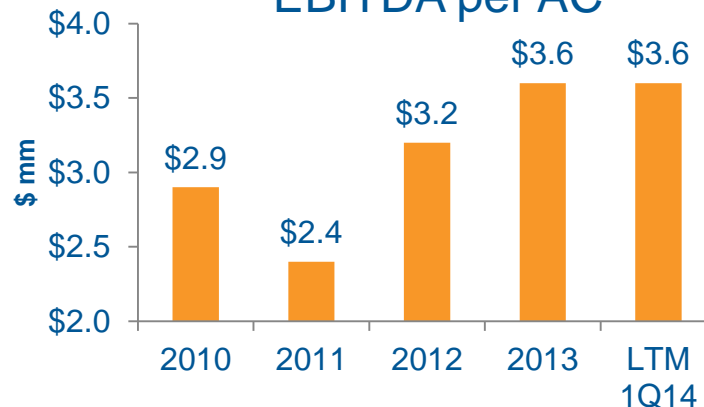
Net debt



EBITDA



EBITDA per AC



See reconciliation tables
Net debt is end of period

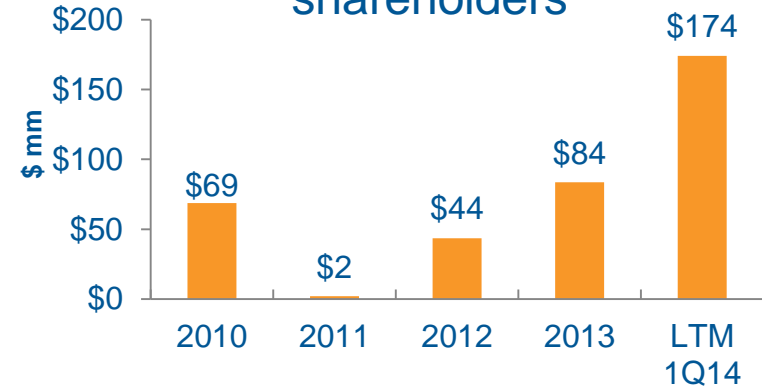


Sources/uses of cash

Cash from operations



Returning cash to shareholders



CAPEX



Debt payments

