

Management Presentation

May 2017



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 – 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

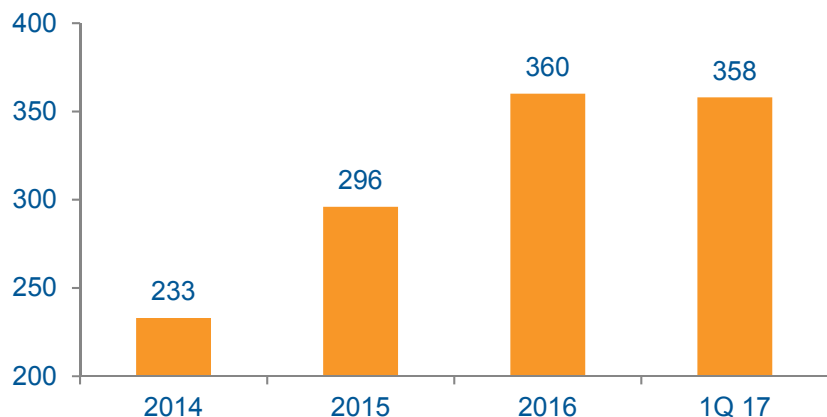
Bundled packages

Highly profitable

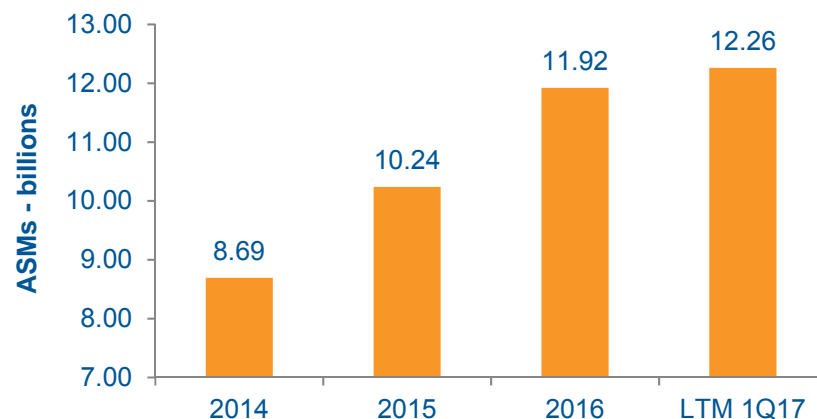


Measured, profitable growth

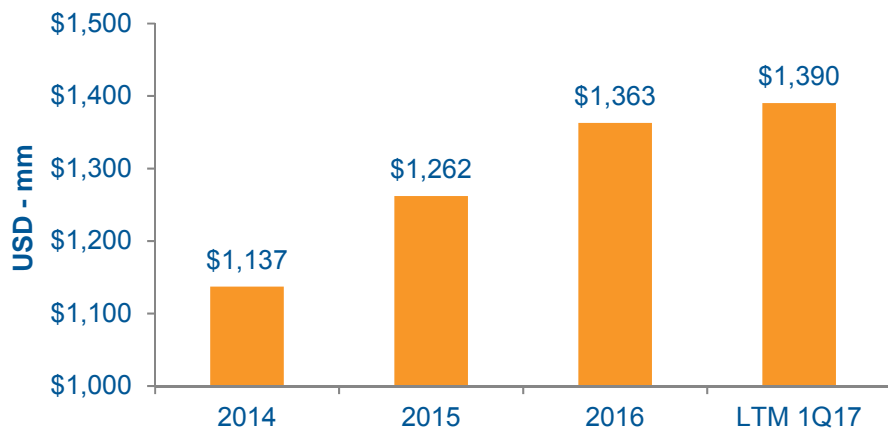
Routes



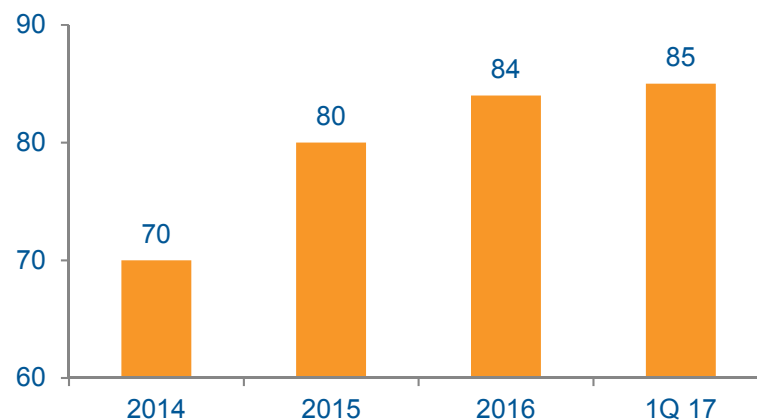
Scheduled ASMs



Total revenue



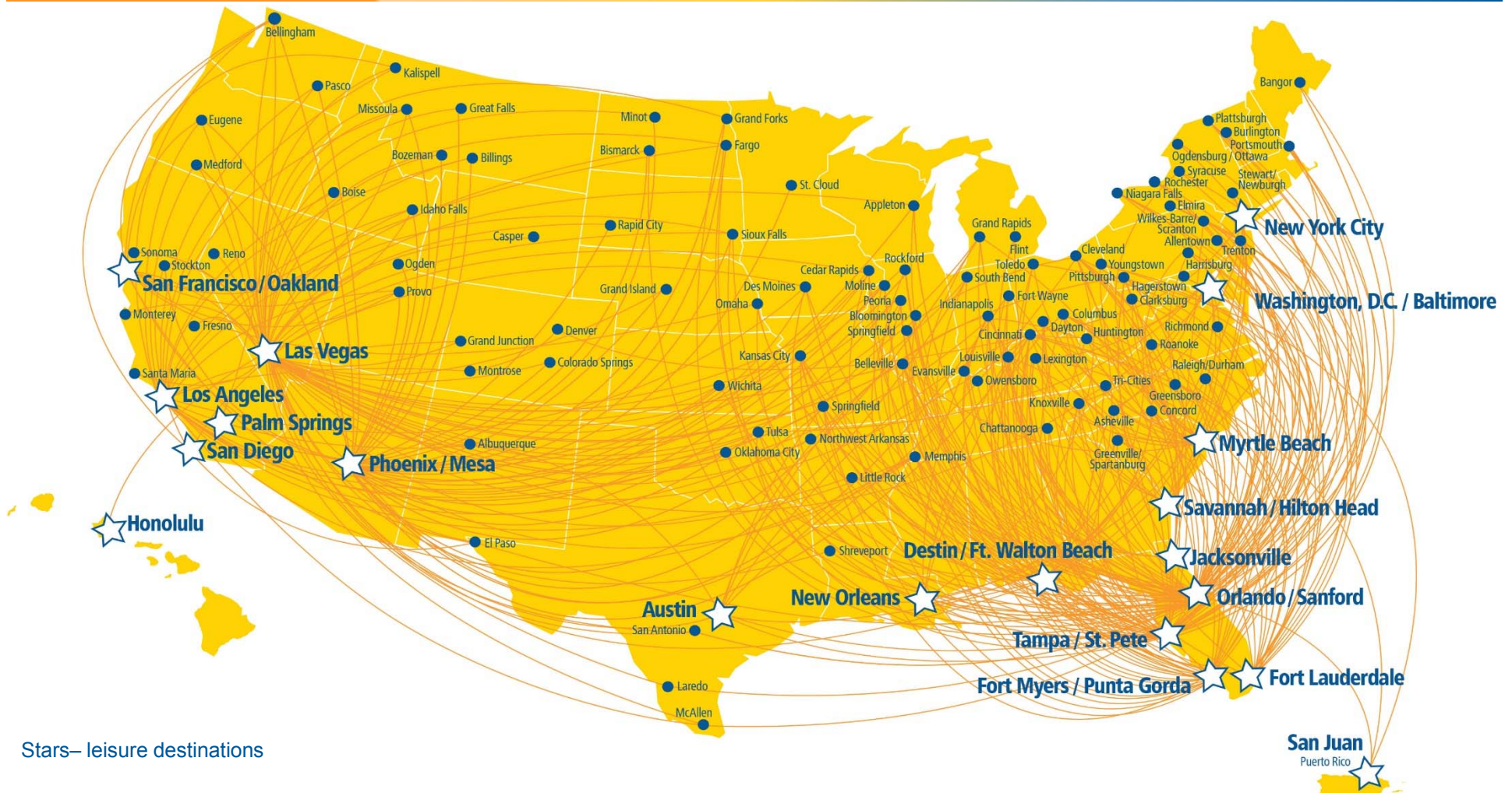
Aircraft in service



Aircraft number and routes are end of period



A very large niche



Based on current published schedule through November 14, 2017

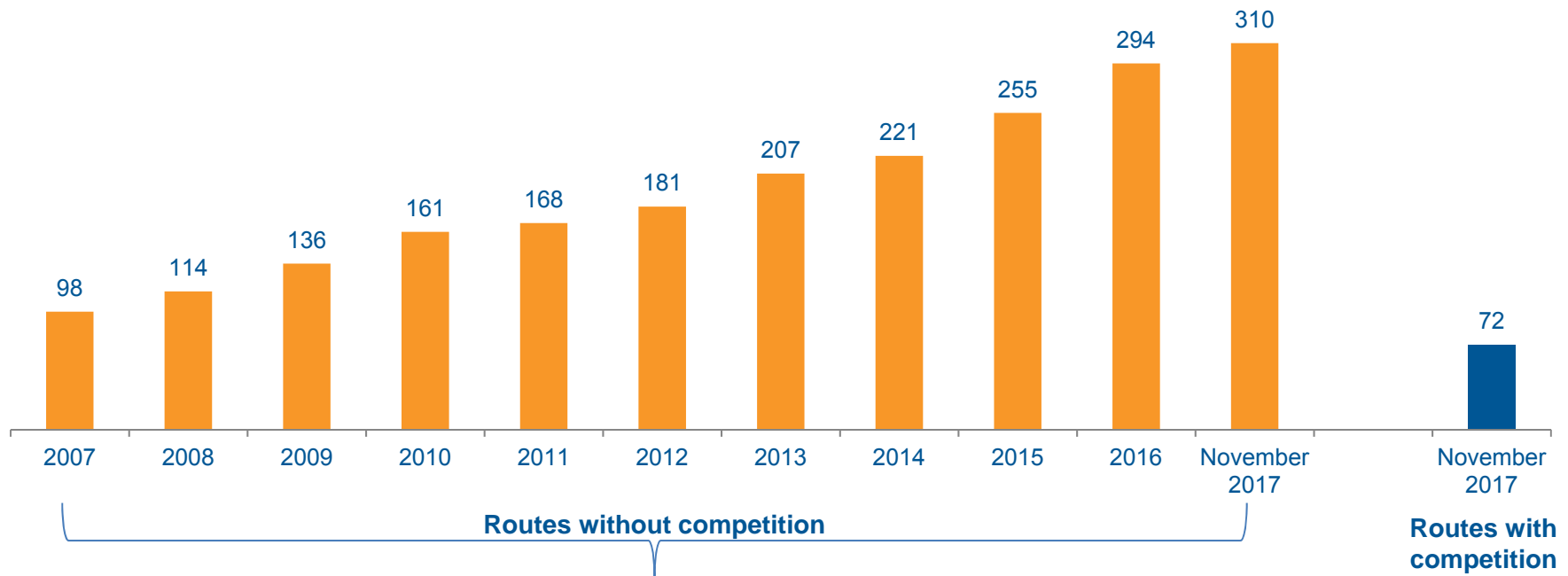
382 routes, 89 operating aircraft

98 small/medium cities, 20 leisure destinations



Little competition

Historic level of non-competitive routes



Competitors – overlapping routes					
Legacy carriers	54	Brand/lower cost carriers	6	ULCC's	35

Based on current published schedule through November 14, 2017, announcements and cancellations as of May 2, 2017

Legacy carriers – American, Delta, Southwest, United. Brand / lower cost carriers – Alaska, Hawaiian, JetBlue

ULCC carriers – Frontier, Spirit

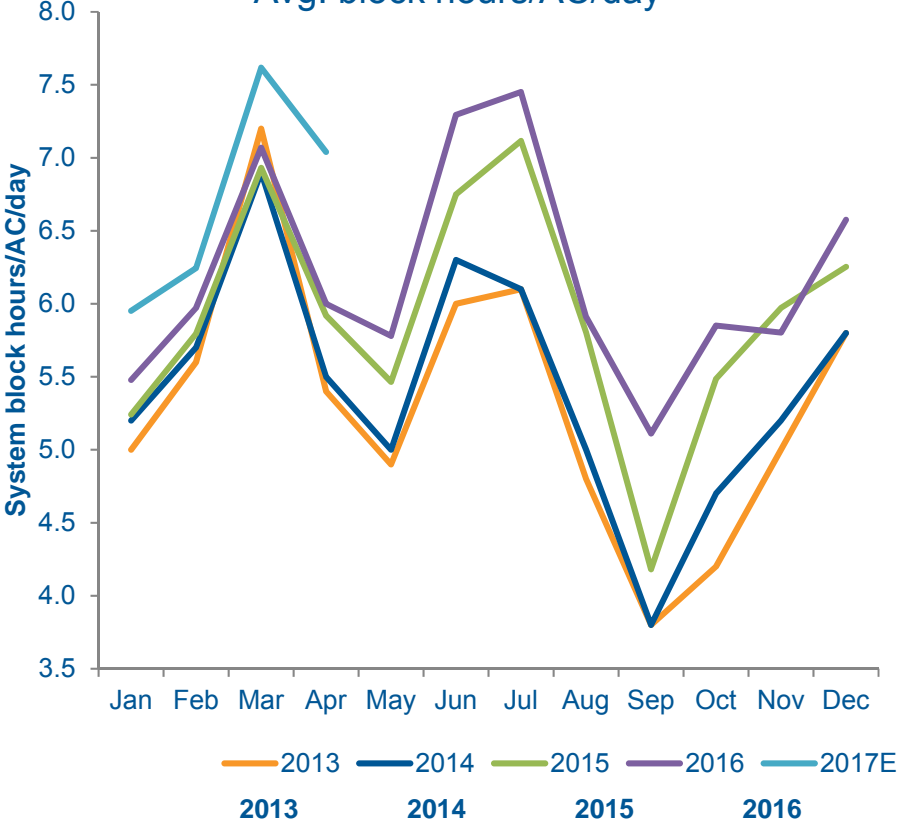
Competitive routes are those that have non-stop flights between similar markets



Low frequency model

Leisure = seasonality

Avg. block hours/AC/day



2013 2014 2015 2016

Aircraft - 2

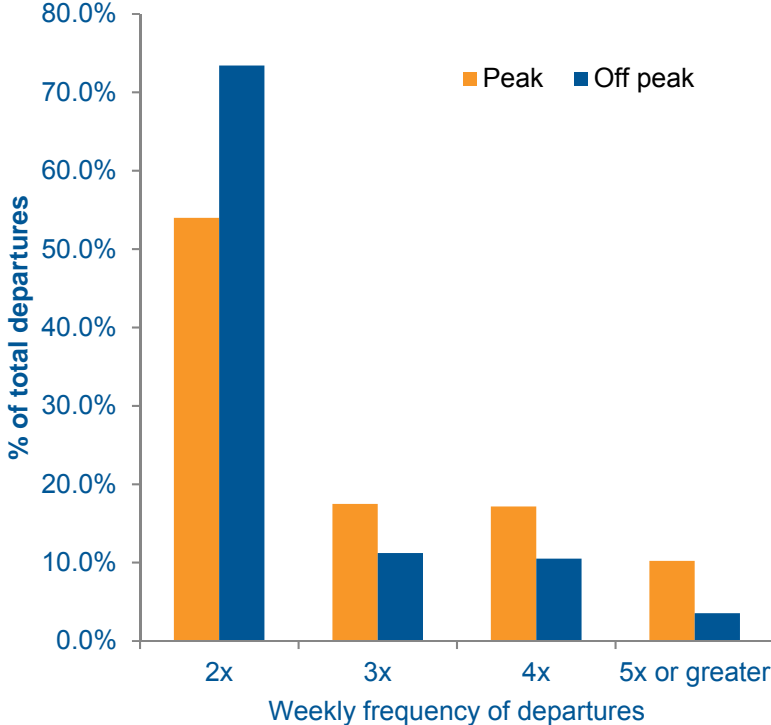
66 70 80 84

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 - Aircraft are end of year

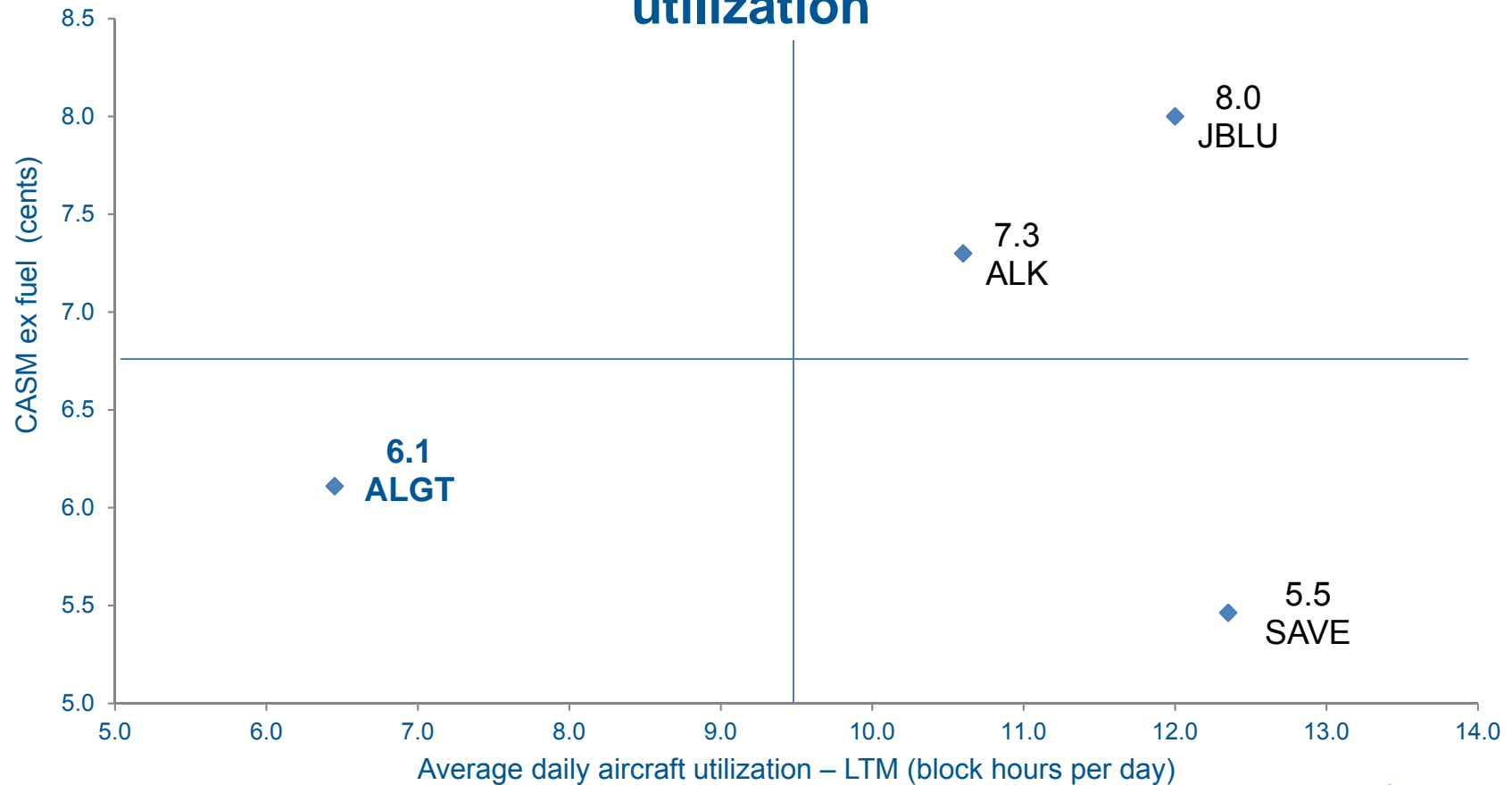
Small cities = low frequency⁽¹⁾

Weekly market frequency



Low costs even with low utilization

LTM 1Q17 CASM ex fuel vs daily aircraft utilization

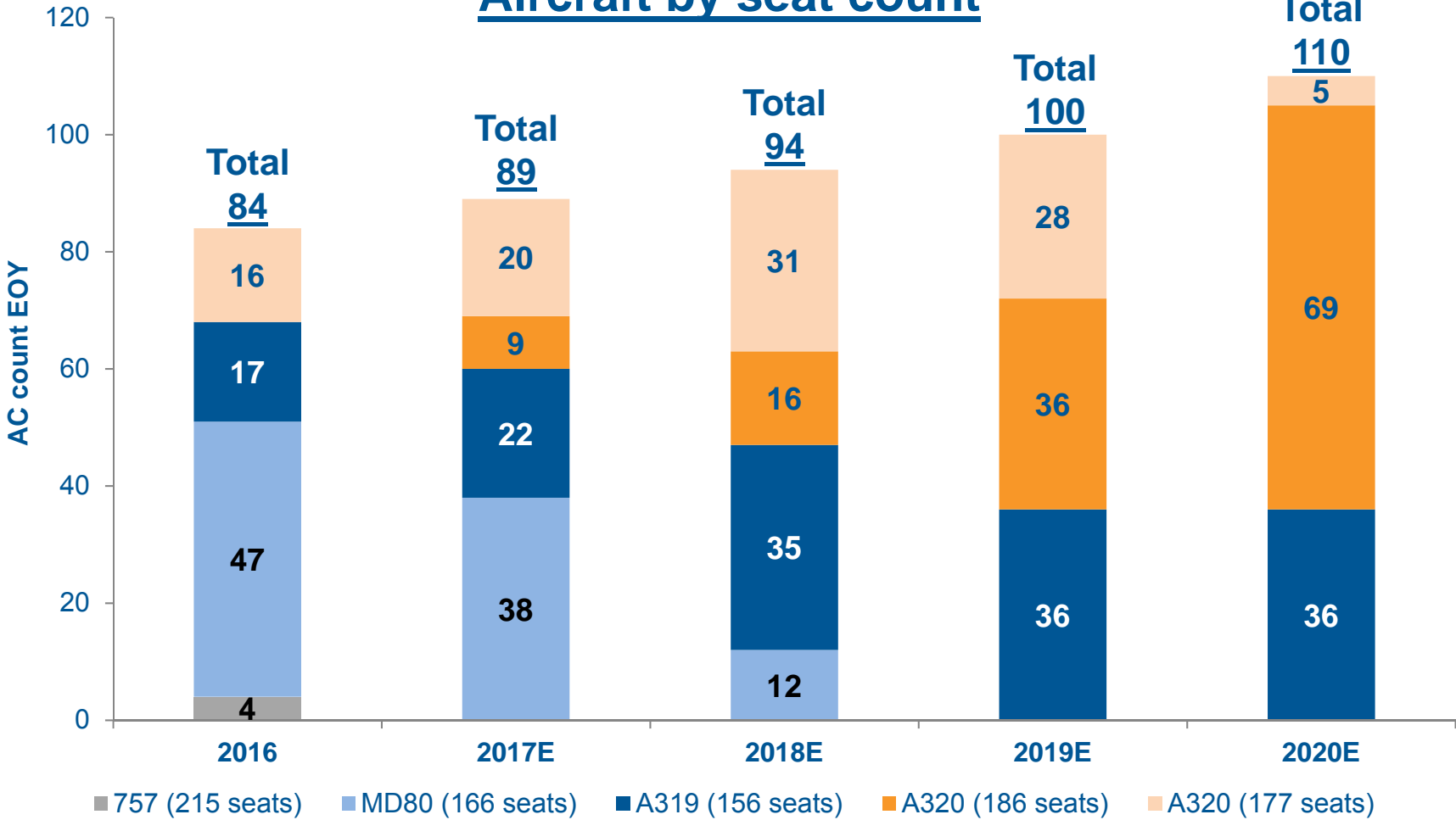


As of 1Q 2017, ALGT – Allegiant, JBLU – JetBlue, ALK – Alaska mainline, SAVE – Spirit



Fleet plan

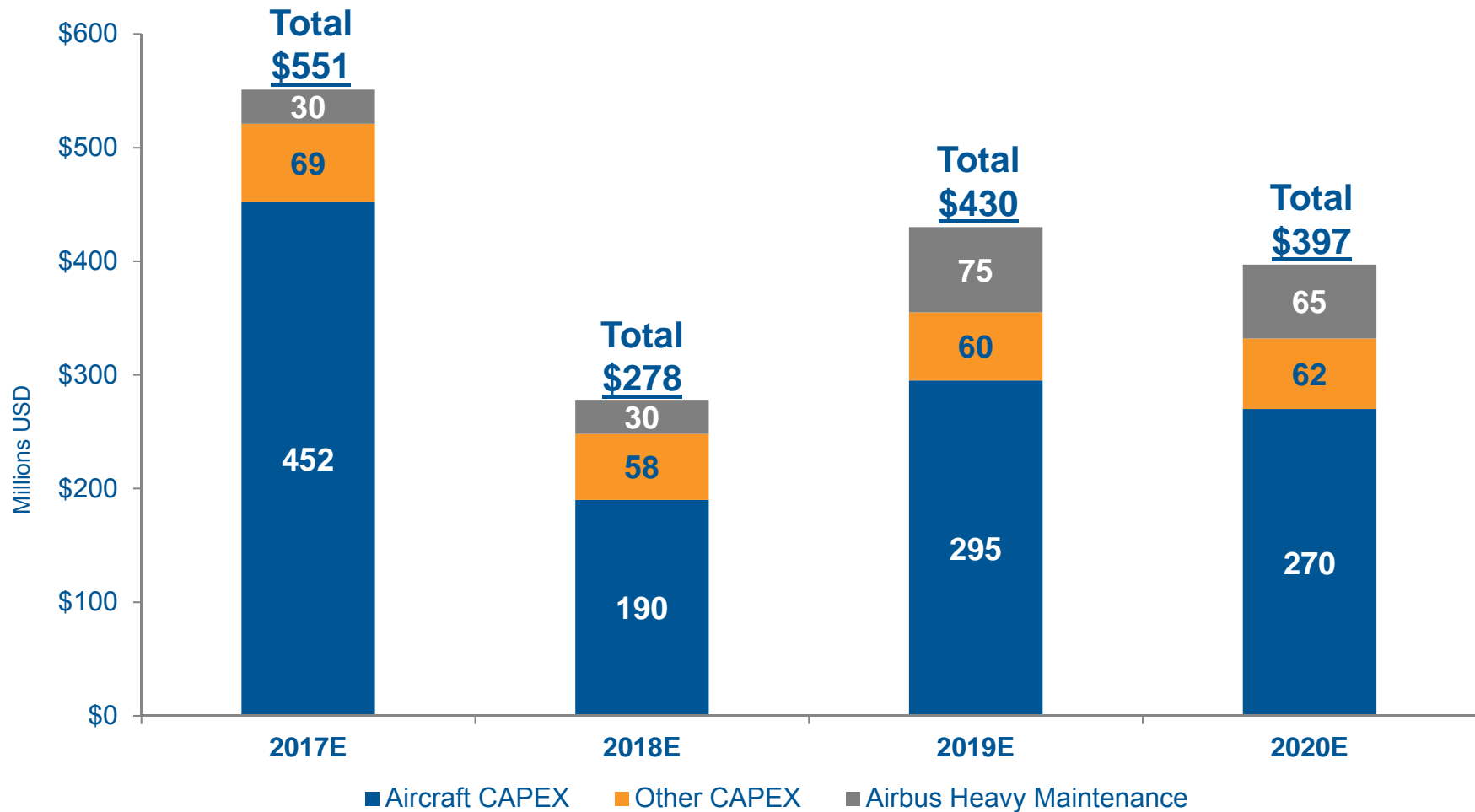
Aircraft by seat count



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



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



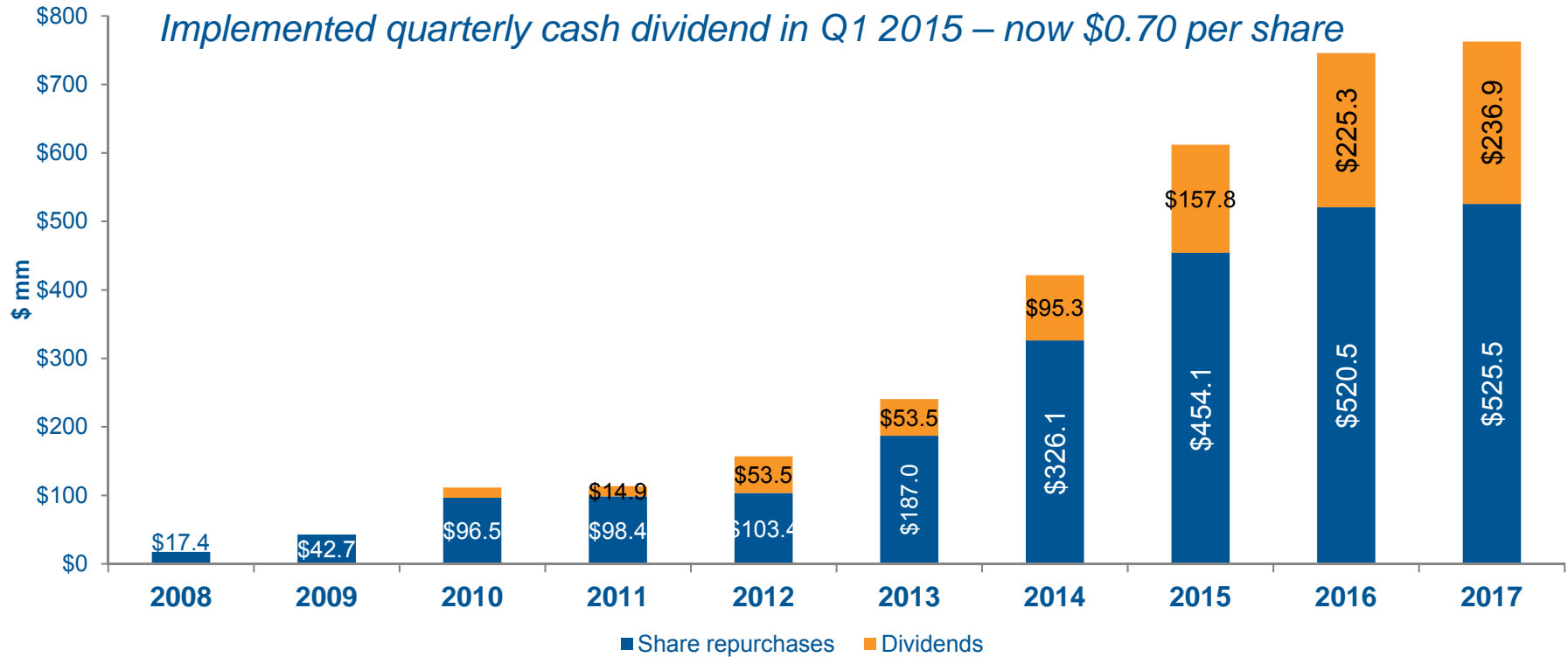
Cumulative return to shareholders

\$762m returned to shareholders since 2007

\$86.8m remaining in share repurchase authority

*Reduced diluted share count by 20% 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 2016 was 16.4m

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



Unique business model and results

- Highly resilient and profitable
 - Profitable last 57 quarters ⁽¹⁾
 - LTM 1Q17 EBITDA \$435mm ⁽²⁾
 - LTM Q117 Return on Capital 19.6%⁽²⁾

- Strong balance sheet
 - Rated BB and Ba3⁽³⁾
 - Adjusted debt/ EBITDAR 1.9x⁽²⁾
 - \$134mm returned to shareholders 2016
 - \$86.8 mm in share repurchase authority as of 4/25/17
 - 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

- 2Q17 TRASM 1.5 to 3.5% vs 2Q16
- 2Q17 CASM ex fuel 13 to 15% vs 2Q16
- FY17 CASM ex fuel 9 to 12% vs 2016
- 2Q17 fixed fee + other revenue \$16mm to \$18mm
- FY17 CAPEX \$521mm (excludes Airbus heavy maintenance)
- FY17 Airbus heavy maintenance \$30mm
- FY17 maintenance per aircraft per month \$100 to \$110 thousand
- FY17 ownership cost* per aircraft per month \$125 to \$135 thousand

	2 nd Quarter 2017	3 rd Quarter 2017	Full year 2017
System departures	14 to 18%	4 to 8%	
System ASMs	11 to 15%	3 to 7%	8 to 11%
Scheduled departures	14 to 18%	4 to 8%	
Scheduled ASMs	11 to 15%	3 to 7%	8 to 11%

Guidance subject to change

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



Appendix

GAAP reconciliation

EBITDA calculations					
\$mm	LTM	1Q17	2016	2015	2014
Net Income attributable to Allegiant Travel Co.		189.2	219.6	220.4	86.7
+Total comprehensive income (loss)		0	0	(.4)	1.2
+Provision for Income Taxes		108.0	126.4	126.4	50.8
+Other Expenses ¹		26.3	25.8	25.1	20.4
+Depreciation and Amortization		111.1	105.2	98.1	83.4
=EBITDA		434.6	477.0	469.6	242.5
+ Write down of Boeing 757 fleet					43.3
=Adjusted EBITDA					285.8
+ Aircraft lease rental		.8	0.9	2.3	15.9
=EBITDAR		435.4	477.9	471.9	301.7
Total debt		803.6	808.2	641.7 ²	593.1
+7 x annual aircraft lease rent		<u>6.3</u>	<u>6.3</u>	<u>16.1</u>	<u>111.3</u>
Adjusted total debt		809.9	814.5	657.8	704.4
=Adjusted Debt to EBITDAR		1.9x	1.7x	1.4x	2.3x
Average # of in service aircraft in period		84.7	83	74	69
=EBITDA per aircraft		5.1	5.7	6.3	4.1
Interest expense		30.0	28.8	26.5	21.2
= Interest coverage		14.5x	16.6x	17.7x	13.5x

1- Ex unconsolidated affiliate earnings

2 - Prior to 2015, total debt does not include debt issuance costs reclassification per GAAP guidance update
2014 EBITDA and subsequent calculations are adjusted to exclude a one time write-down of \$43.3m



GAAP reconciliation

Return on equity

\$mm	LTM 1Q17	2016	2015	2014	2013
Net Income attributable to Allegiant Travel Co.	189.2	219.6	220.4	113.2	92.3

	Mar 2017	Mar 2016	Dec 2016	Dec 2015	Dec 2014	Dec 2013
Total shareholders equity	503.1	362.5	473.6	350.0	294.1	377.3
Return on equity	44%		53%	68%	34%	24%

ROE = Net income / Avg shareholders equity

2014 net income calculation found on Adjustment for special item GAAP reconciliation table



GAAP reconciliation

Return on capital employed calculation

\$mm	LTM 1Q17	2016	2015	2014
+ Net income attributable to Allegiant Travel Co.	189.2	219.6	220.4	113.2
+ Income tax	108.0	126.4	126.4	66.8
+ Interest expense	30.0	28.8	26.5	21.2
- Interest income	3.7	3.0	1.4	0.8
	323.5	371.8	371.9	200.4
+ Interest income	3.7	3.0	1.4	0.8
Tax rate	36.3%	36.5%	36.5%	37.1%
Numerator	208.4	238.0	237.0	126.6
Total assets prior year ⁽¹⁾	1,406.7	1,358.3	1,235.1	930.2
- Current liabilities prior year ⁽¹⁾	425.0	395.1	362.0	290.7
+ ST debt of prior year ⁽¹⁾	79.8	74.1	52.6	20.2
Denominator	1,061.5	1,037.3	925.7	659.7
= Return on capital employed	19.6%	22.9%	25.6%	19.2%

1 - Prior to 2015, total debt does not include debt issuance costs reclassification per GAAP guidance update
2014 net income calculation found on Adjustment for special item GAAP reconciliation table



GAAP reconciliation - 2014

Adjustment for special item

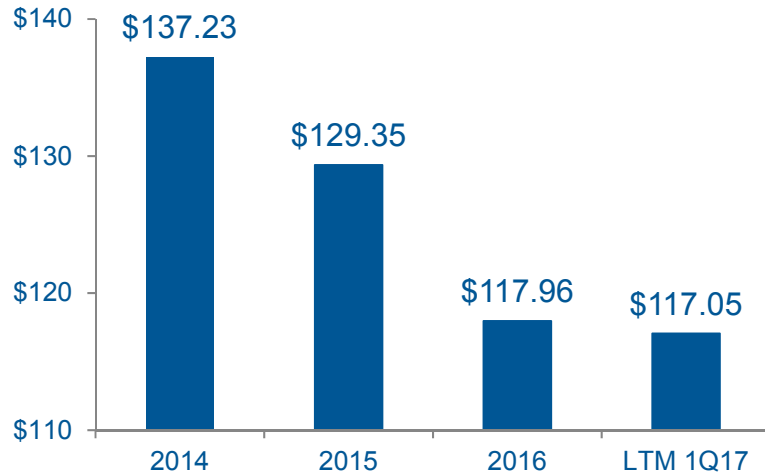
\$mm – except per share amounts	2014
Net income as reported	86.3
+ Add provision for income taxes, as reported	<u>50.8</u>
Income before income taxes as reported	137.1
+ Other expense	<u>20.2</u>
Operating income	157.3
+ Boeing 757 fleet write down	<u>43.3</u>
Adjusted operating income	200.6
- Other expense	<u>20.2</u>
Adjusted pre-tax income	180.4
- Provision for income tax	<u>66.8</u>
Adjusted net income	113.6
- Net loss attributable to noncontrolling interest	<u>(0.4)</u>
Adjusted net income attributable to Allegiant Travel Co	113.2
Diluted shares (millions)	<u>17.8</u>
Earnings per share as adjusted for special item	\$6.36
Total revenue	1,137.0
Adjusted operating margin	17.6%
Adjusted EBITDA*margin	25.2%

* - see GAAP reconciliation table

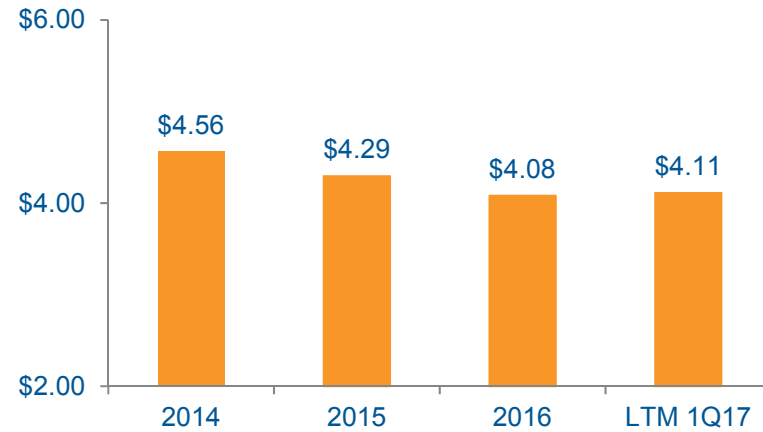


Revenue components

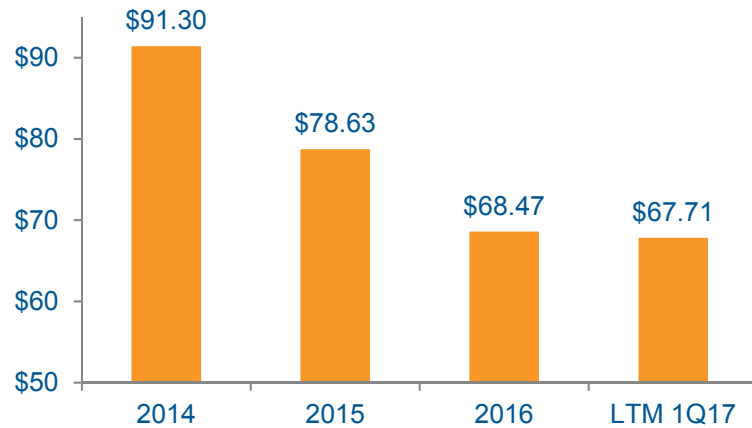
Average fare - total



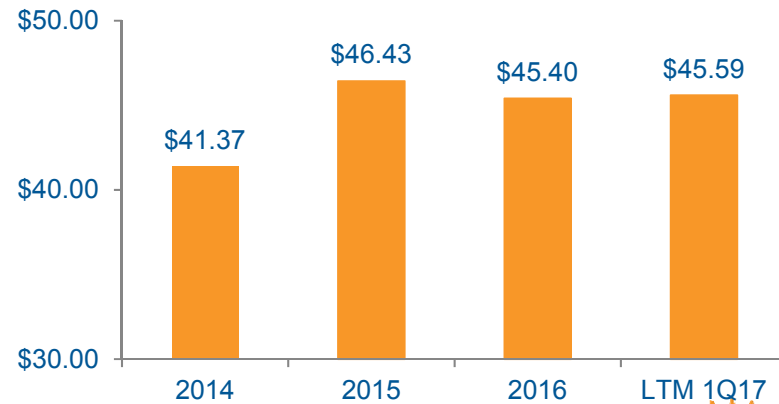
Average fare - ancillary third party products



Average fare - scheduled service



Average fare - ancillary air-related charges

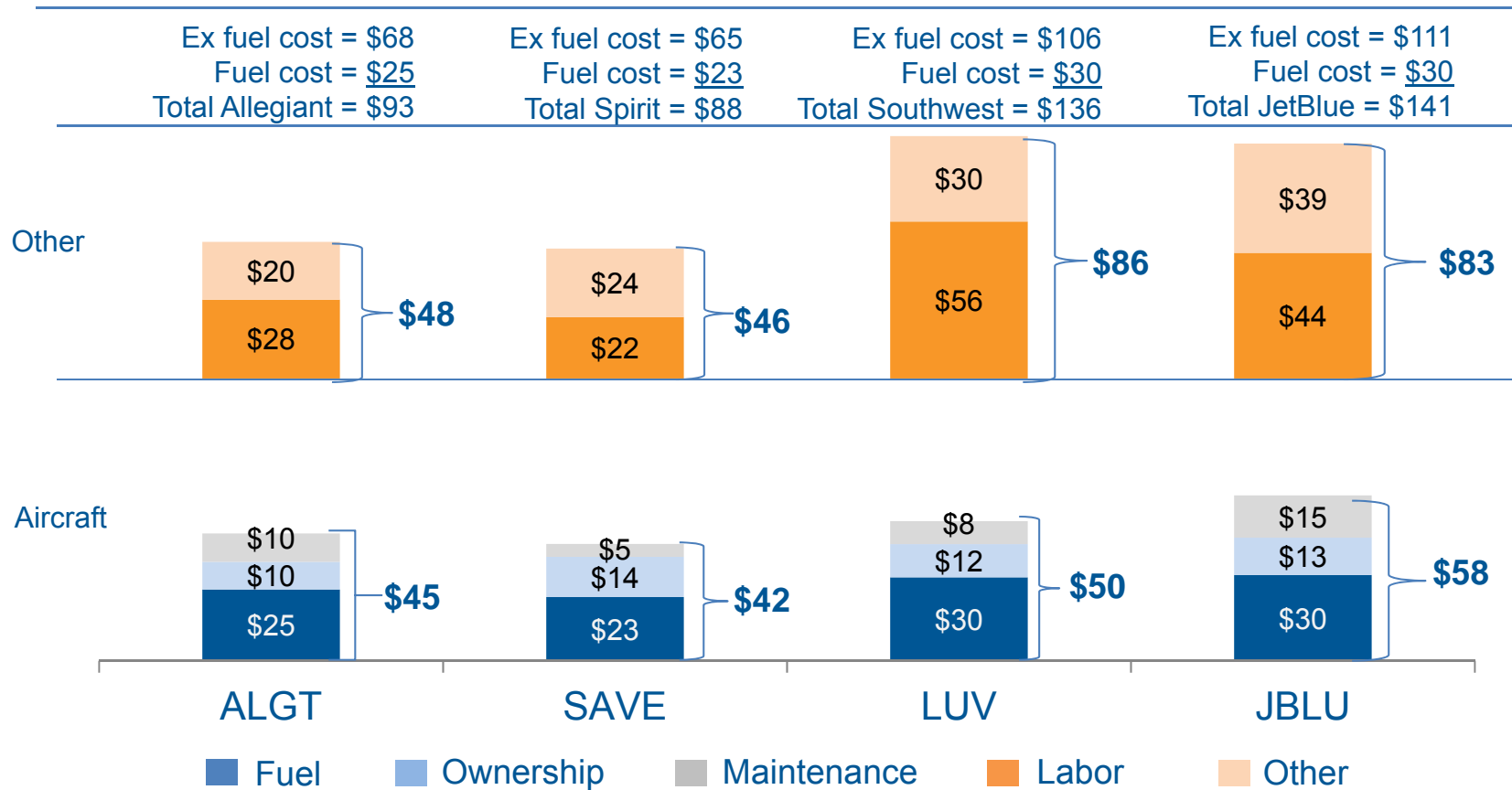


All revenue is revenue per scheduled passenger



Low cost drivers

LTM 1Q17 cost per passenger

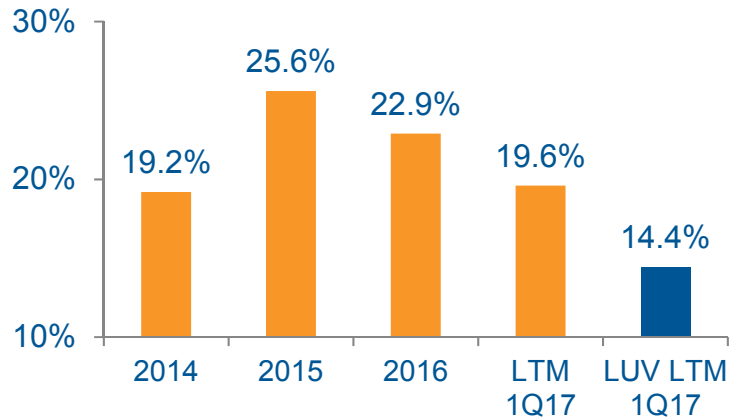


Source: Company filings
 Ownership includes depreciation & amortization + aircraft rent
 Other excludes special items and one-time charges for other carriers

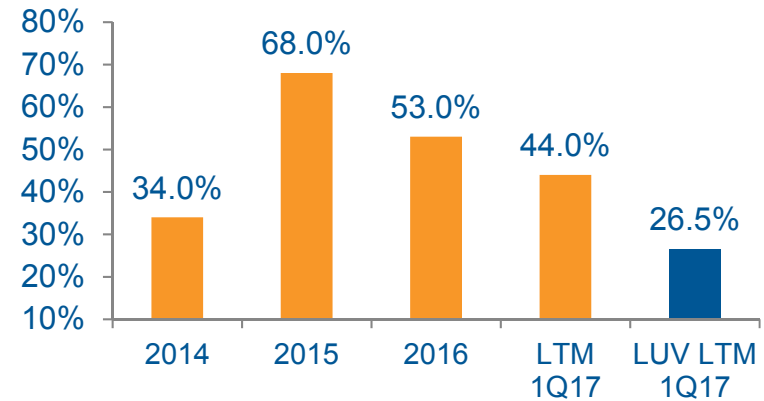


Credit metrics

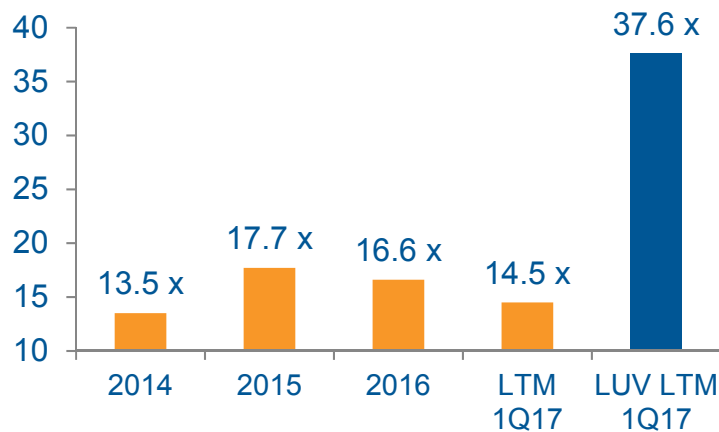
Return on capital employed



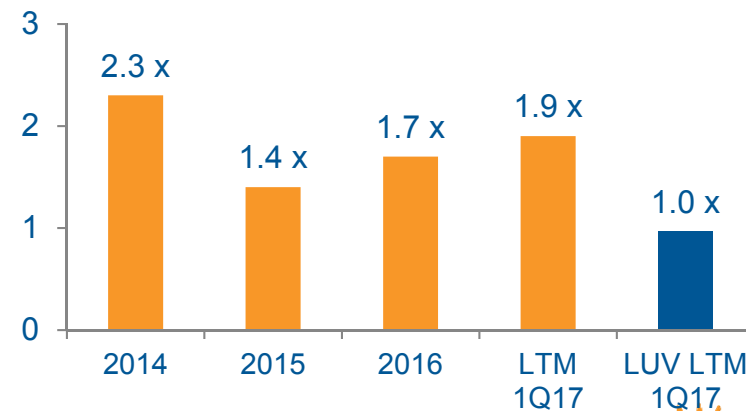
Return on equity



Interest coverage



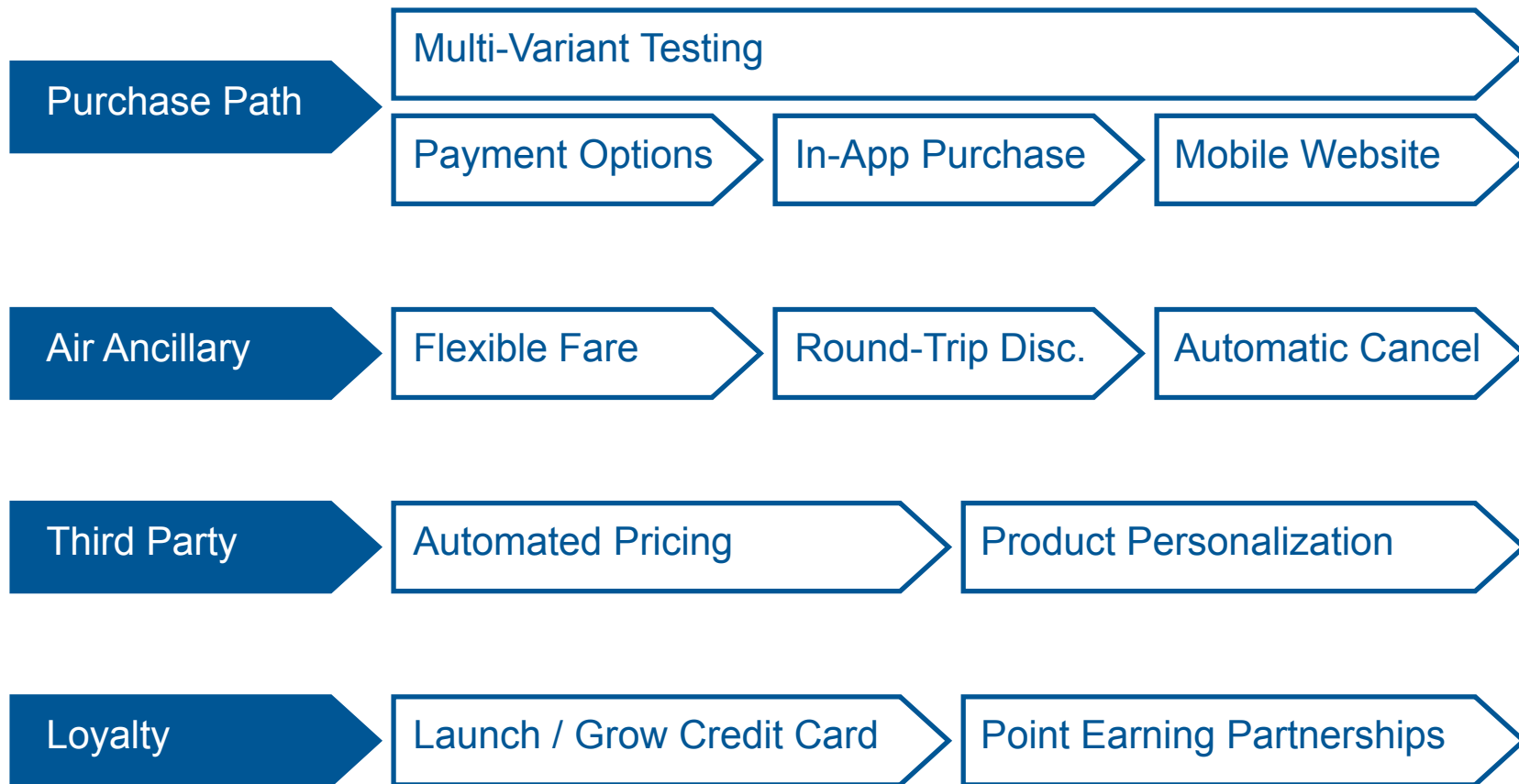
Adjusted Debt / EBITDAR



LUV = Southwest Airlines, based on published information
 Please see GAAP reconciliation table in appendix for calculation
 2014 EBITDAR refers to an adjusted amount found in EBITDA tables in appendix

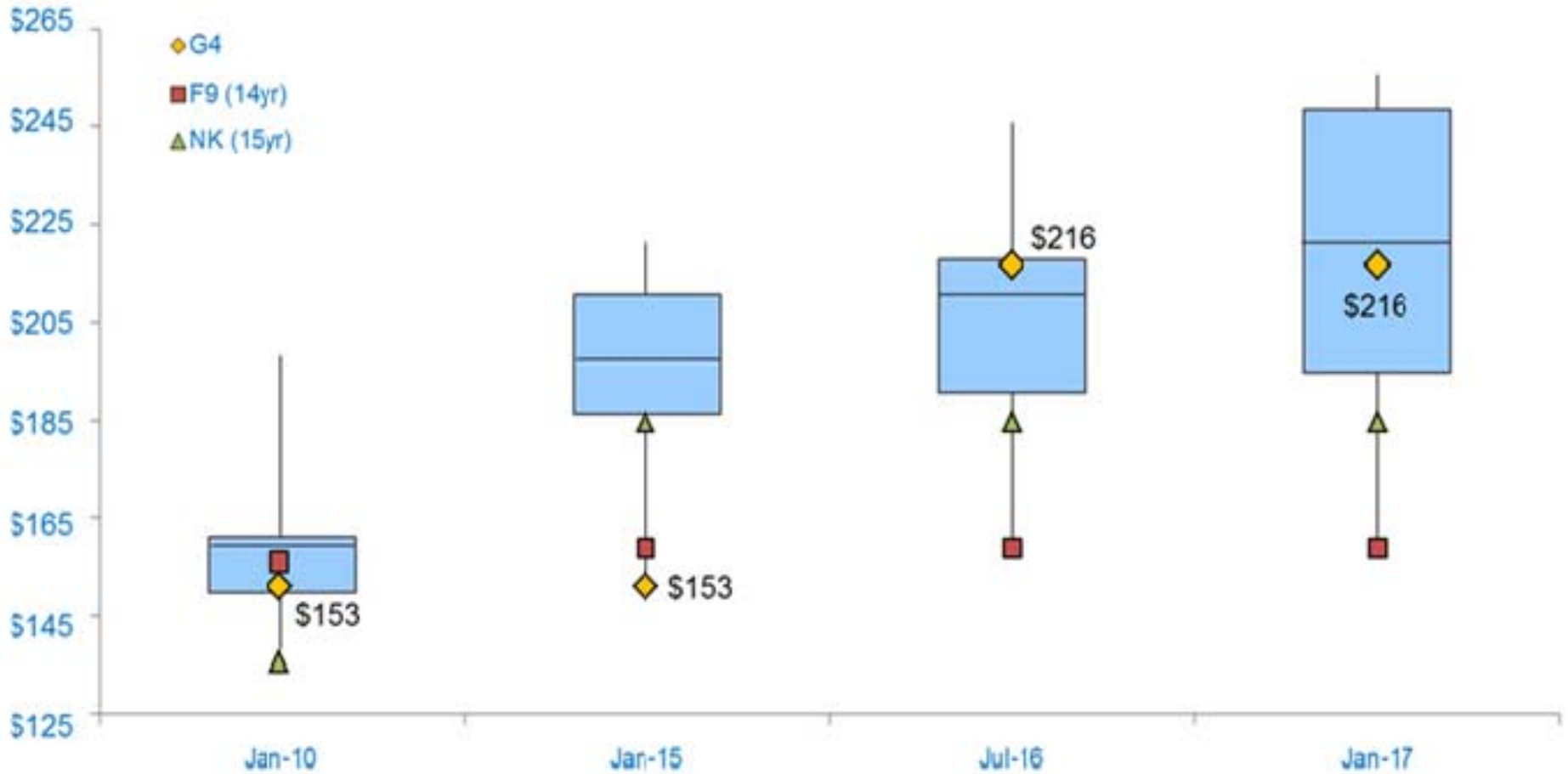


eCommerce: roadmap



2017 pilot contract impact

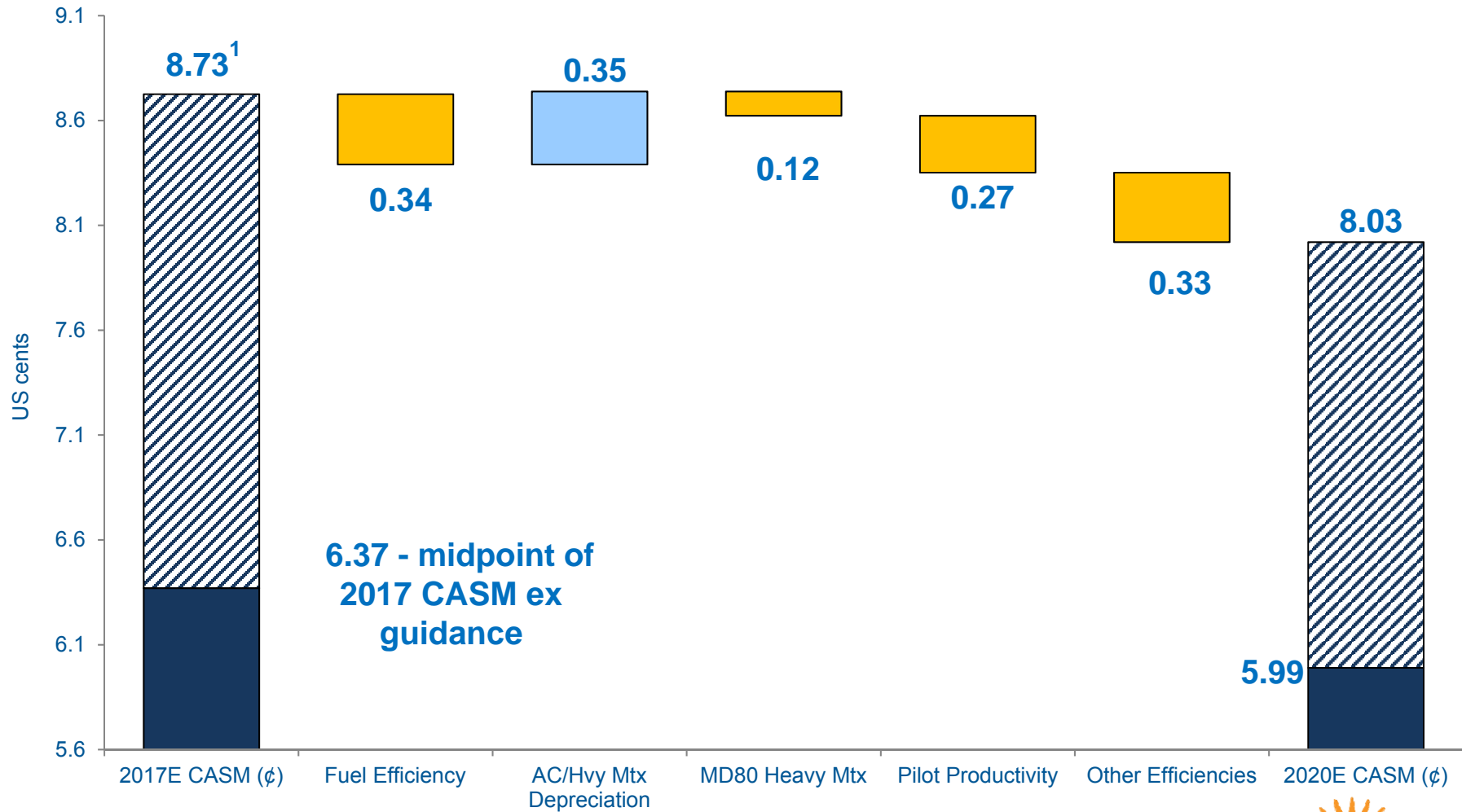
Industry 12 Year Captain Rates¹



1. Allegiant includes top of scale rates for B737s & A320s for Alaska, Allegiant, American, Delta, Frontier, JetBlue, Southwest, Spirit, Virgin America, United & Allegiant. Excludes Alaska, American, Delta, Frontier, JetBlue, Southwest, Spirit, Virgin America, United & Allegiant. Excludes Alaska, American, Delta, Frontier, JetBlue, Southwest, Spirit, Virgin America, United & Allegiant.



2020 CASM (¢) build

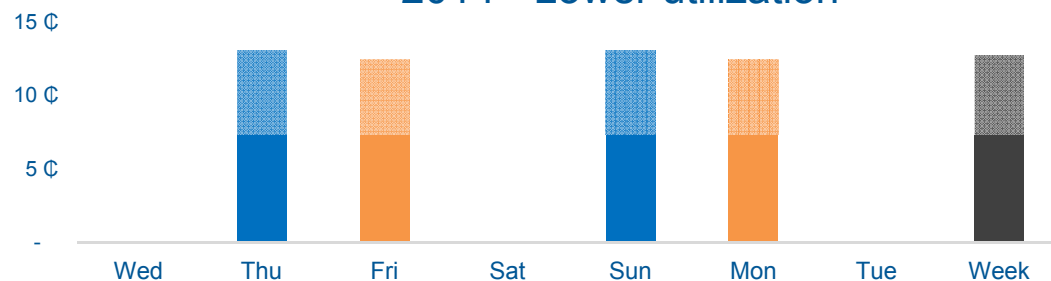


1 – 2017 CASM built using 2017 estimated burn rate and current fuel price of \$1.75
 2 – Fuel efficiency savings estimated using 2020 burn rate and current fuel price of \$1.75
 CASM ex guidance is estimated and subject to change



Single plane flexible capacity example

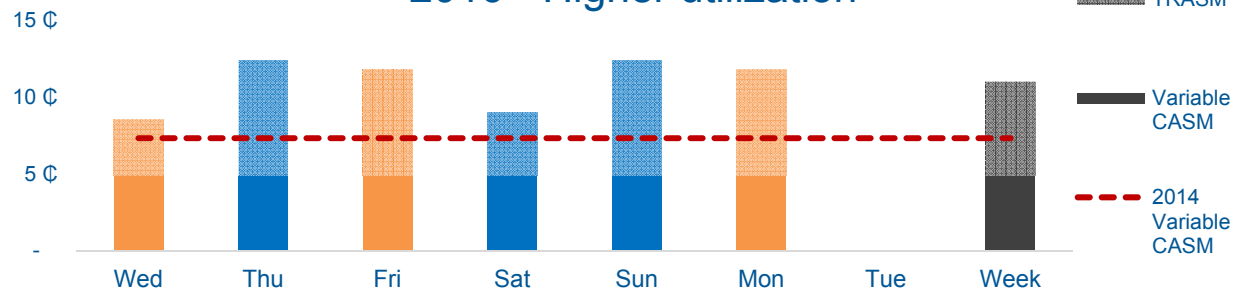
2014 - Lower utilization



AC/year average

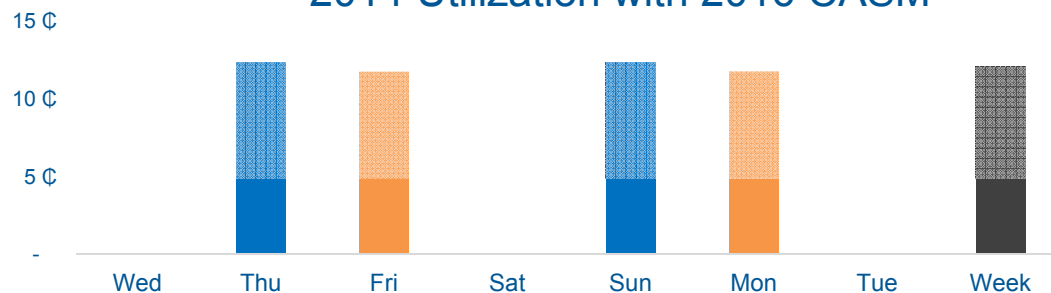
EBIT = \$2.3m
TRASM = 12.7 cents

2016 - Higher utilization



EBIT = \$4.6m
TRASM = 11.0 cents

2014 Utilization with 2016 CASM

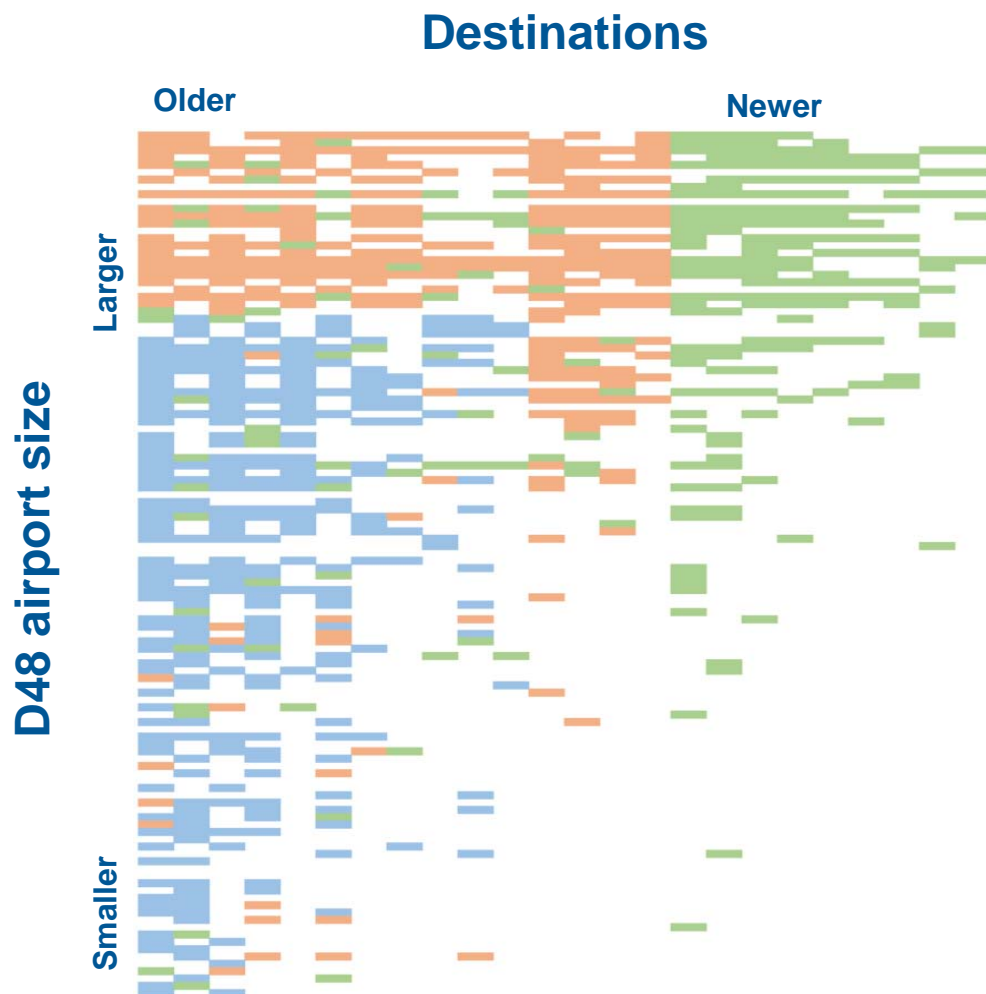


EBIT = \$4.0m
TRASM = 12.1 cents

Colors represent two different markets flown by the same plane



Network runway long (and getting longer)



Future market growth as of:

2010 (blue)

- Small airports to large destinations only
- 150 potential incremental markets

2015 (orange)

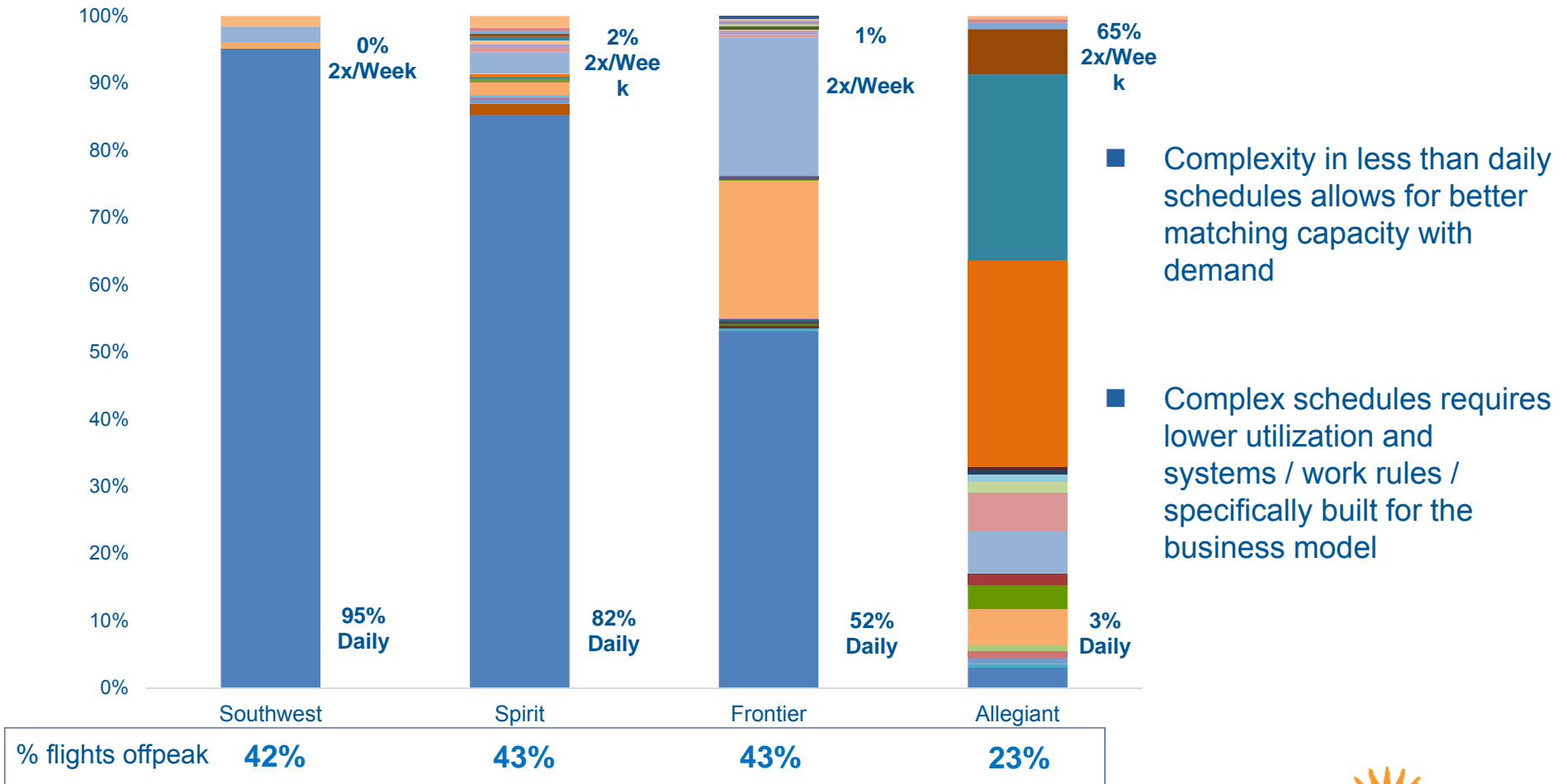
- Added mid-size airports, secondary destinations
- 300 potential incremental markets

2020E (green)

- Add international, all-airbus fleet
- 450 potential incremental markets

Unique network and schedule

Unique market schedules by carrier



- Complexity in less than daily schedules allows for better matching capacity with demand
- Complex schedules requires lower utilization and systems / work rules / specifically built for the business model

Each color represents a unique weekly market schedule
 Offpeak represents flights on Tuesday, Wednesday, Saturday in non-holiday weeks



Contribution of initiatives

Operating earnings impact -\$m	2017E	2020E
Fuel benefit from ASM production	\$6	\$21
Ex-fuel savings (costs)	(21)	73
Credit card program	15	45
eCommerce initiatives	14	92
Pricing engine	7	49
Fixed fee	5	20
186 seat modification	0	27
<u>Fleet productivity</u>	<u>0</u>	<u>21</u>
Total	\$26m	\$348m

Estimates are based on various assumptions which may not materialize

