

Management Presentation

September 2016



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 54 quarters ⁽¹⁾
 - LTM 2Q16 EBITDA \$495.5mm ⁽²⁾
 - LTM 2Q16 Return on Capital 25.2%⁽²⁾
- Strong balance sheet
 - Rated BB and Ba3⁽³⁾
 - Adjusted debt/ EBITDAR 1.3x⁽²⁾
 - \$106mm returned to shareholders YTD 2016
 - \$92 mm in share repurchase authority as of 7/29/16
 - 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

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

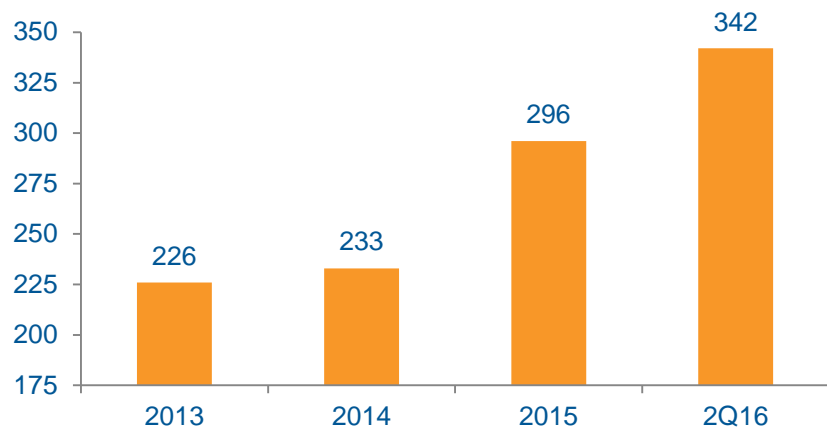
Bundled packages

Highly profitable

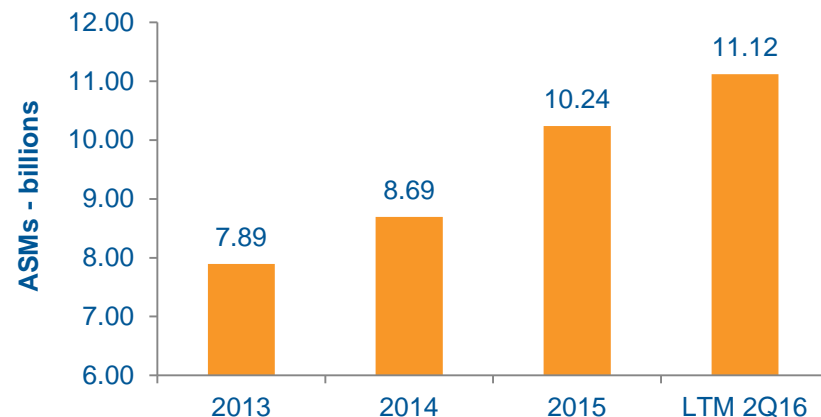


Measured, profitable growth

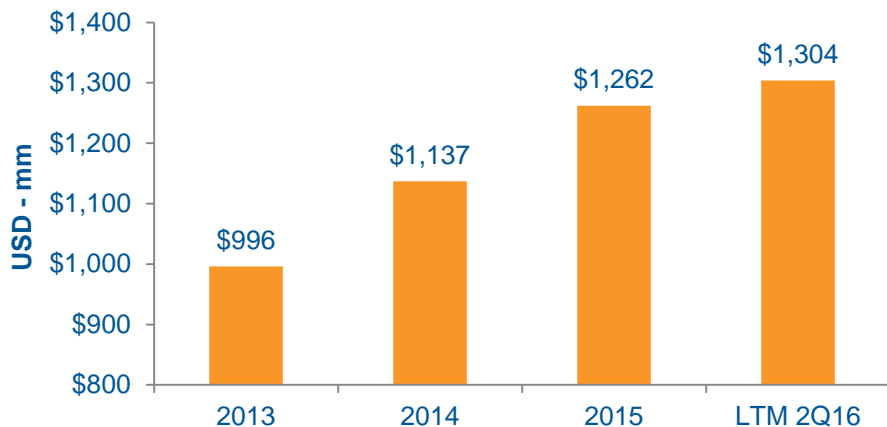
Routes



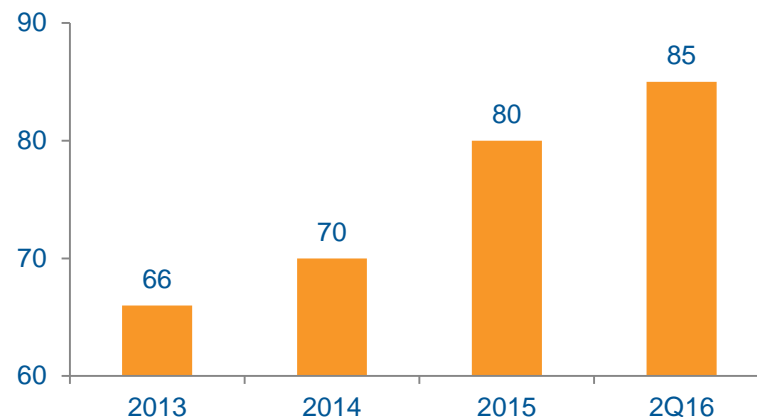
Scheduled ASMs



Total revenue



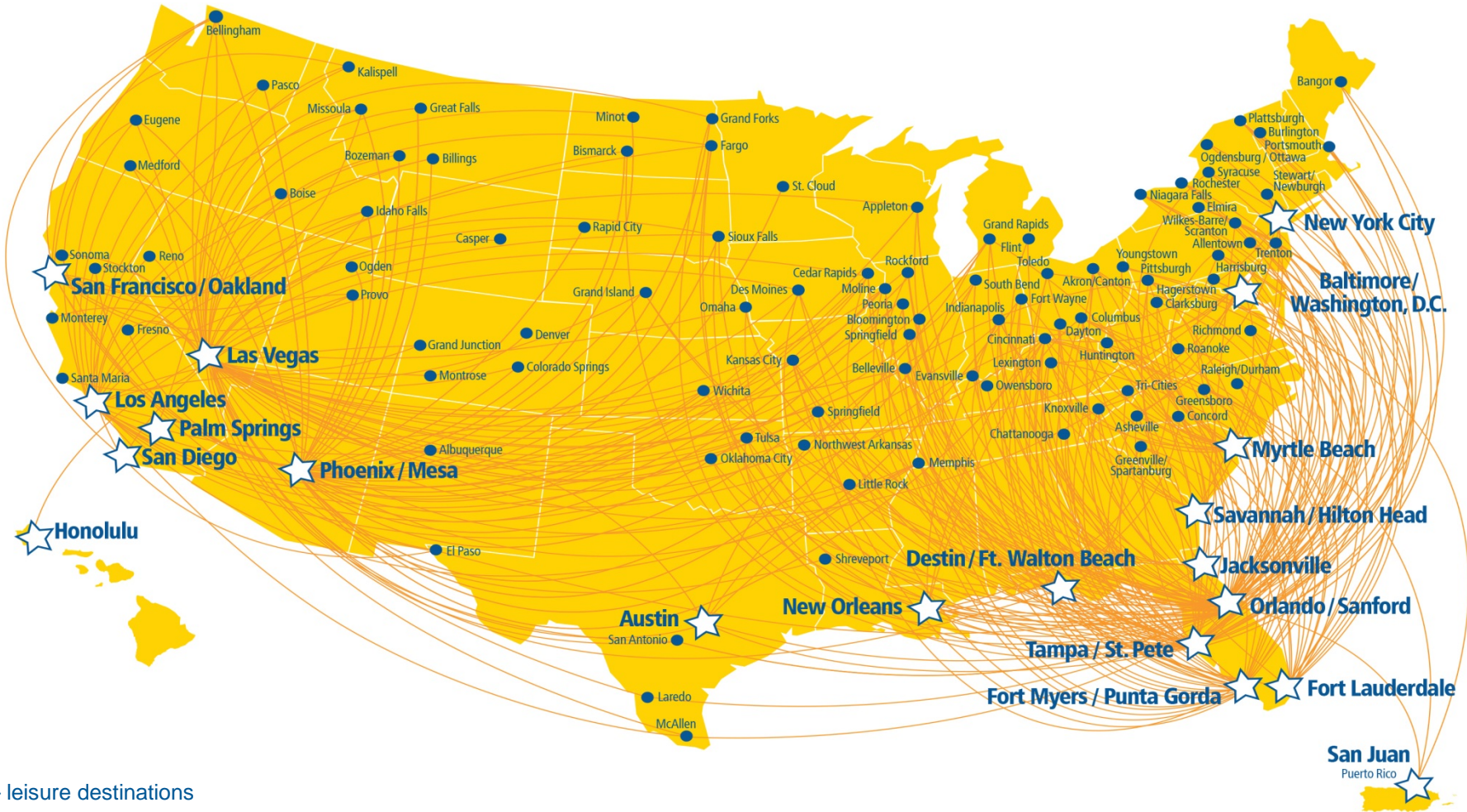
Aircraft in service



Aircraft number and routes are end of period



A very large niche



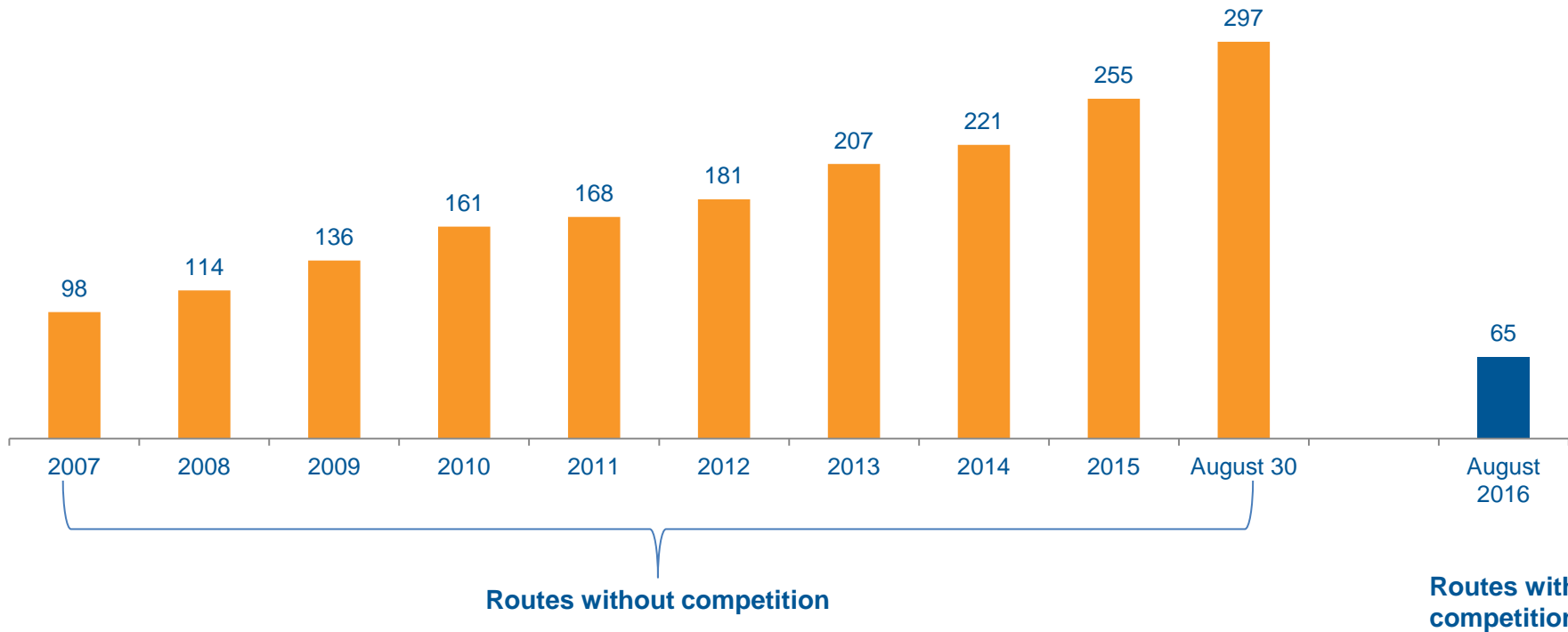
Stars— leisure destinations

Based on current published schedule through March 16, 2017
362 routes, 83 operating aircraft
97 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	32

Based on current published schedule through March 16, 2017, announcements and cancellations as of August 30, 2016

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

ULCC carriers – Frontier, Spirit

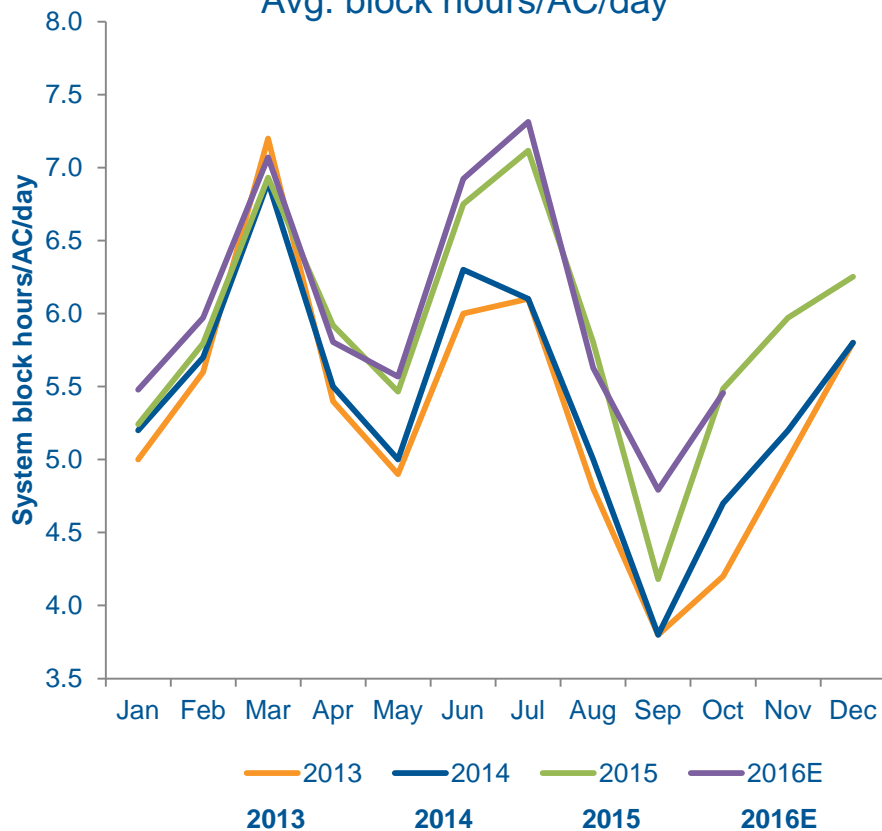
Competitive routes are those that have non-stop flights between similar markets



Low frequency model

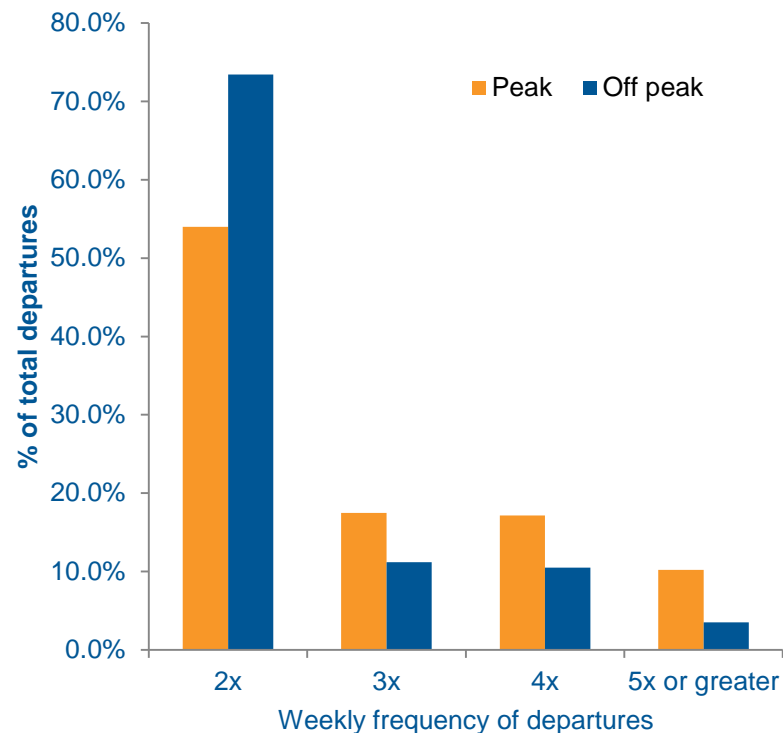
Leisure = seasonality

Avg. block hours/AC/day



Small cities = low frequency⁽¹⁾

Weekly market frequency



Aircraft - ²

2013 2014 2015 2016E

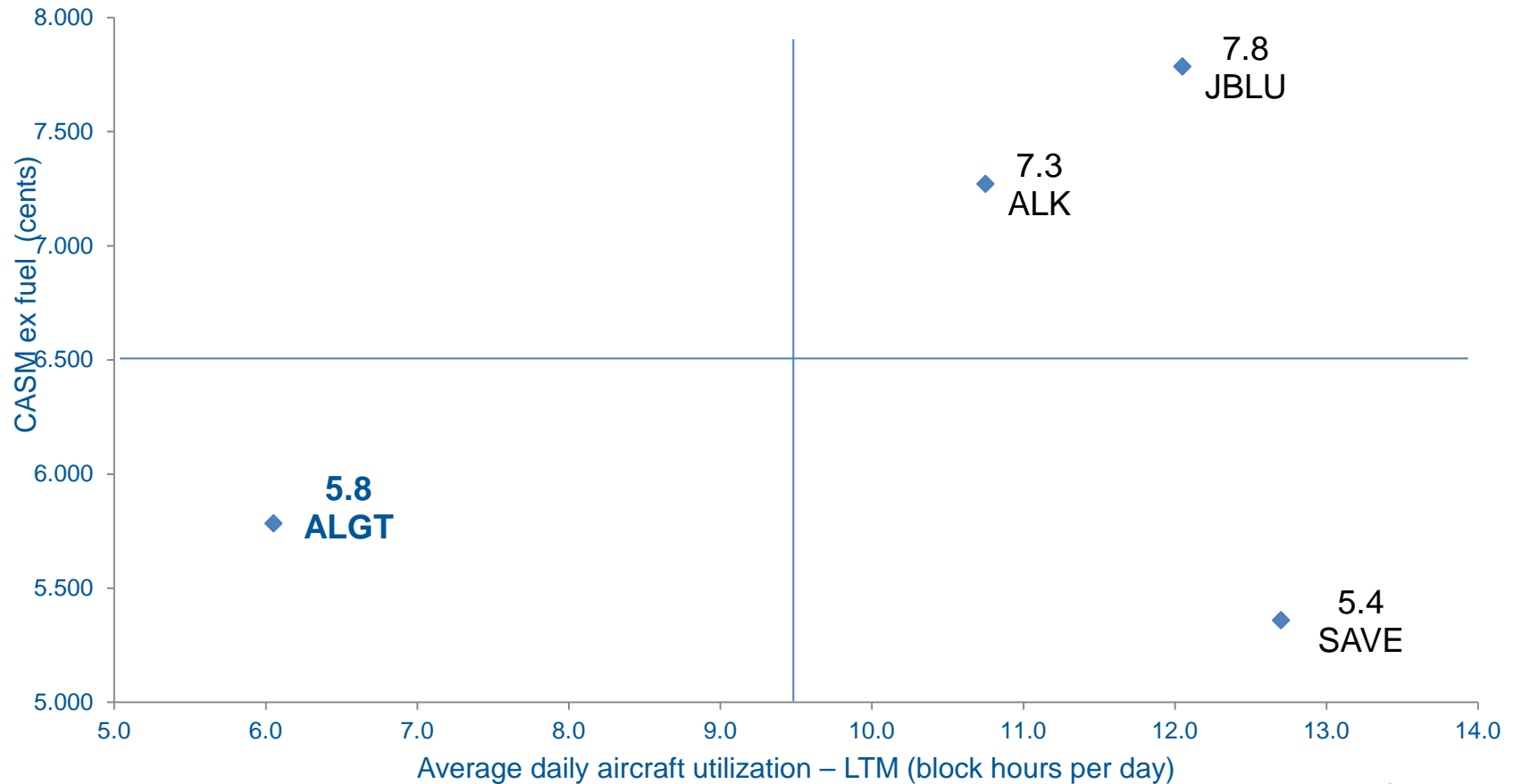
1 - Peak = peak is defined as 11/23 – 12/1, 12/21 – 1/3, 2/18 – 4/14, 6/3 – 8/18. Remaining is off peak

2 - Aircraft are end of year



Low costs even with low utilization

CASM ex fuel vs daily aircraft utilization



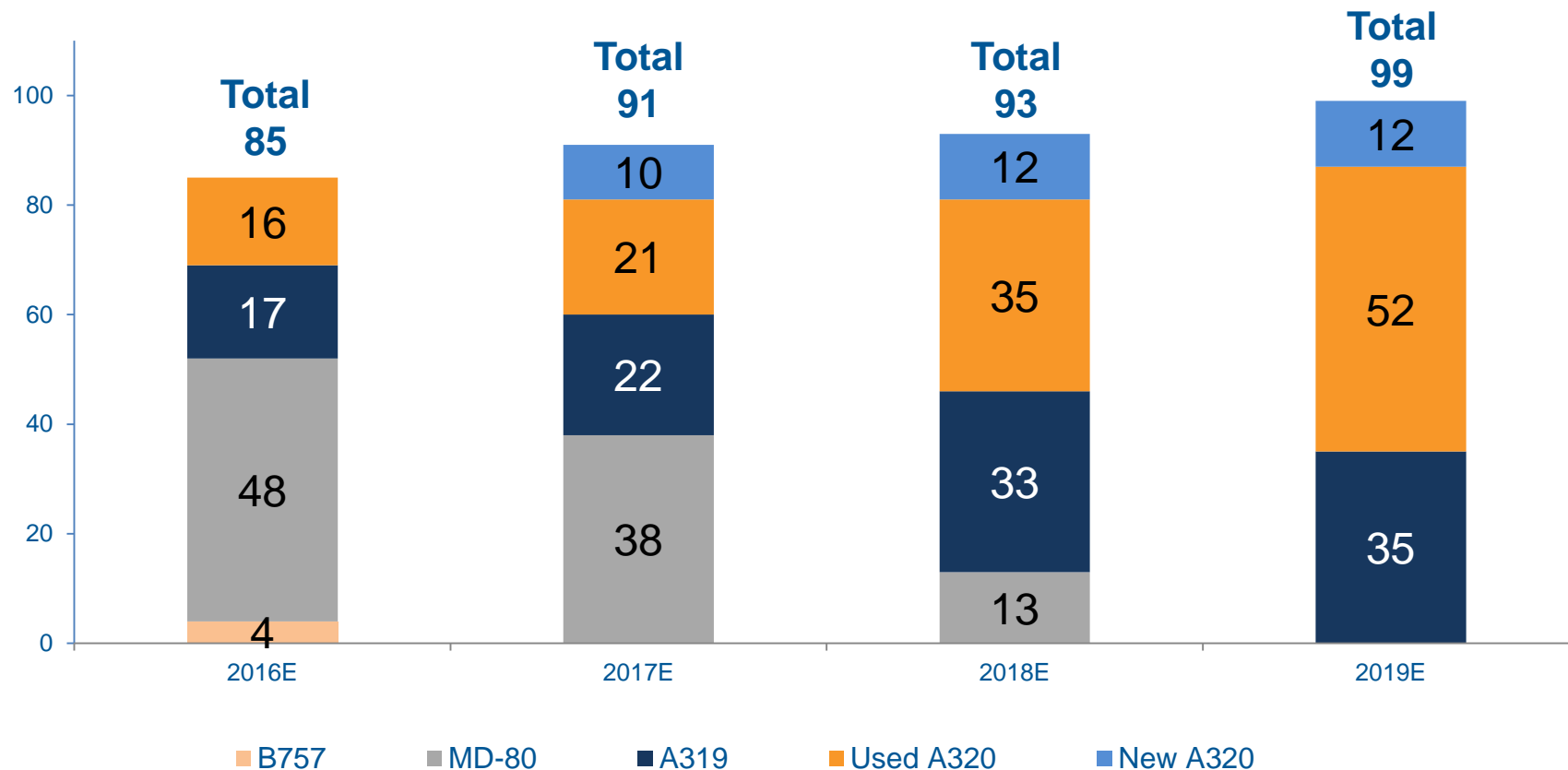
As of LTM 2Q16, ALGT – Allegiant, JBLU – JetBlue, ALK – Alaska mainline, SAVE – Spirit



Current fleet plan

Expected fleet

End of period



Future numbers include existing delivery commitments and estimate of potential future transactions
 77 Airbus aircraft either owned or firm commitments as of 8/24/16
 MD-80 and 757 retirements are planned and subject to change



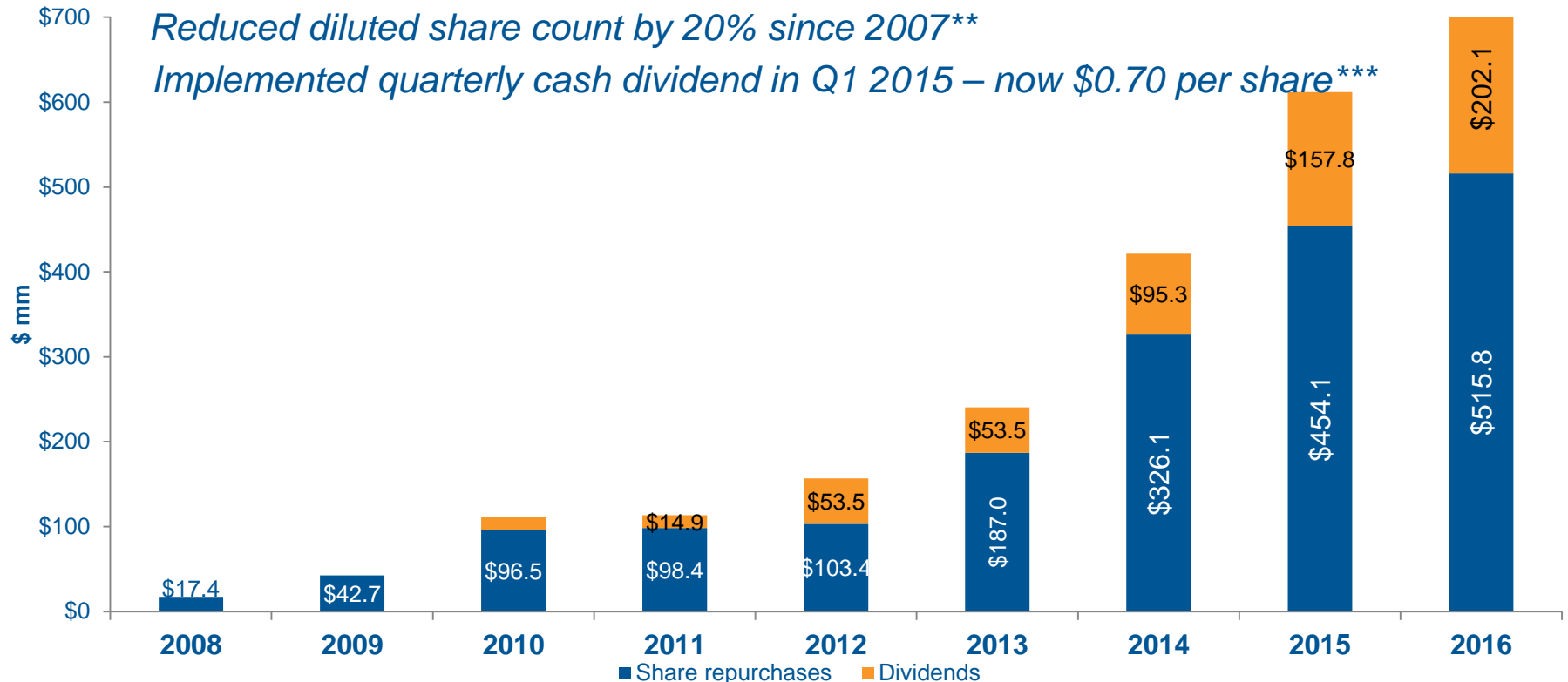
Cumulative return to shareholders

\$718m returned to shareholders since 2007

\$92m 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 6/30/16 was 16.3m

*** - As of Q2 2016

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



Existing guidance

- 3Q16 TRASM (8.5) to (7.5)% vs 3Q15
- 3Q16 CASM ex fuel 4 to 6% vs 3Q15
- FY16 CASM ex fuel 0 to 4% vs 2015
- 3Q16 fixed fee + other revenue \$12mm to \$14mm
- FY16 CAPEX \$360mm
- FY16 maintenance per aircraft per month \$105 to \$115 thousand
- FY16 ownership cost* per aircraft per month \$100 to \$110 thousand

	3rd Quarter 2016	4th Quarter 2016	Full year 2016
System departures	21 to 23%	15 to 19%	
System ASMs	17 to 19%	10 to 14%	13 to 17%
Scheduled departures	21 to 23%	15 to 19%	
Scheduled ASMs	17 to 19%	10 to 14%	13 to 17%

Guidance subject to change

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



Appendix

GAAP reconciliation

EBITDA calculations				
\$mm	LTM 2Q16	2015	2014	2013
Net Income attributable to Allegiant Travel Co.	234.0	220.4	86.7	92.3
+Total comprehensive income (loss)	0	(.4)	1.2	.1
+Provision for Income Taxes	138.0	126.4	50.8	54.9
+Other Expenses ¹	24.6	25.1	20.4	8.5
+Depreciation and Amortization	98.9	98.1	83.4	69.3
=EBITDA	495.5	469.6	242.5	225.1
+ Write down of Boeing 757 fleet			43.3	
=Adjusted EBITDA			285.8	
+ Aircraft lease rental	1.4	2.3	15.9	9.2
=EBITDAR	496.9	471.9	301.7	234.3
Total debt	630.7	641.7 ²	593.1	234.3
+7 x annual aircraft lease rent	<u>9.8</u>	<u>16.1</u>	<u>111.3</u>	<u>64.4</u>
Adjusted total debt	640.5	657.8	704.4	298.7
=Adjusted Debt to EBITDAR	1.3x	1.4x	2.3x	1.3x
Average # of in service aircraft in period	79	74	69	63
=EBITDA per aircraft	6.3	6.3	4.1	3.6
Interest expense	27.3	26.5	21.2	9.5
= Interest coverage	18.2x	17.7x	13.5x	23.7x

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 2Q16	2015	2014	2013	2012
Net Income attributable to Allegiant Travel Co.	234.0	220.4	113.2	92.3	78.6

	Jun 2016	Dec 2015	Jun 2015	Dec 2014	Dec 2013	Dec 2012
Total shareholders equity	406.7	350.0	326.2	294.1	377.3	401.7
Return on equity	64%	68%		34%	24%	21%

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 2Q16	2015	2014	2013
+ Net income attributable to Allegiant Travel Co.	234.0	220.4	113.2	92.3
+ Income tax	138.0	126.4	66.8	54.9
+ Interest expense	27.3	26.5	21.2	9.5
- Interest income	2.6	1.4	0.8	1.0
	396.7	371.9	200.4	155.7
+ Interest income	2.6	1.4	0.8	1.0
Tax rate	37.1%	36.5%	37.1%	37.4%
Numerator	251.2	237.0	126.6	98.1
Total assets prior year ⁽¹⁾	1,317.5	1,235.1	930.2	798.2
- Current liabilities prior year ⁽¹⁾	384.3	362.0	290.7	210.5
+ ST debt of prior year ⁽¹⁾	65.2	52.6	20.2	11.6
Denominator	998.4	925.7	659.7	599.3
= Return on capital employed	25.2%	25.6%	19.2%	16.4%

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

Adjustment for special item

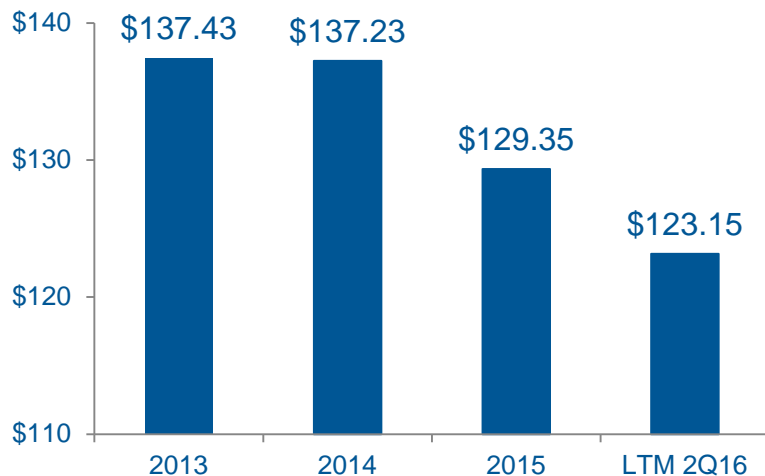
\$mm – except per share amounts	2014
Net income as reported	86.3
+ Add provision for income taxes, as reported	<u>50.8</u>
Income before income taxes as reported	137.1
+ Other expense	<u>20.2</u>
Operating income	157.3
+ Boeing 757 fleet write down	<u>43.3</u>
Adjusted operating income	200.6
- Other 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

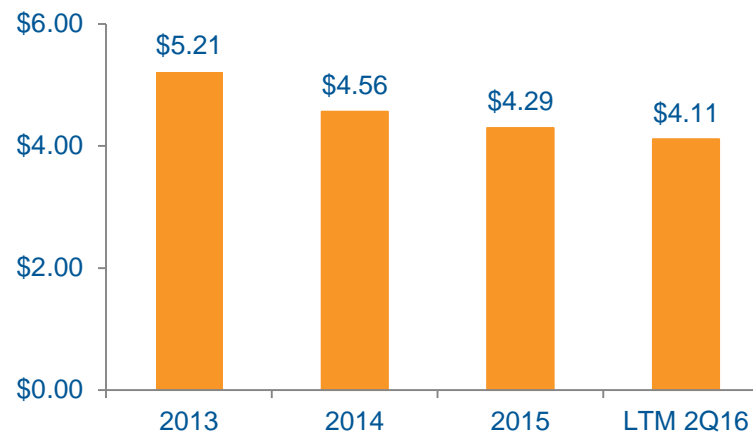


Revenue components

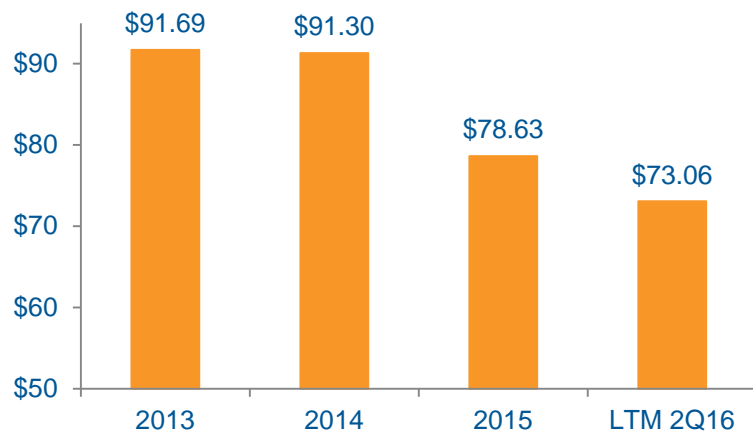
Average fare - total



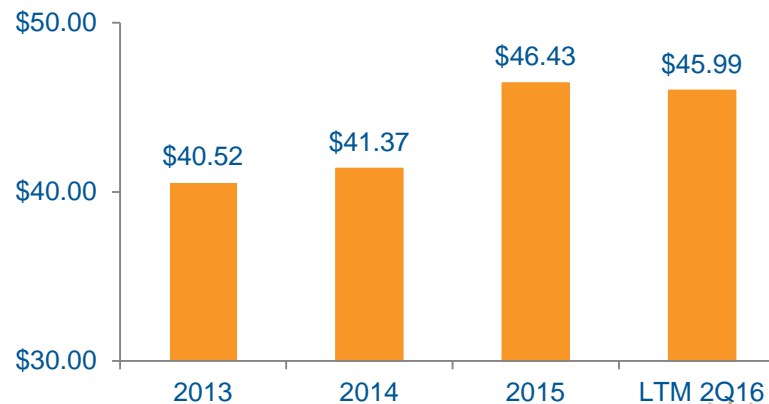
Average fare - ancillary third party products



Average fare - scheduled service



Average fare - ancillary air-related charges

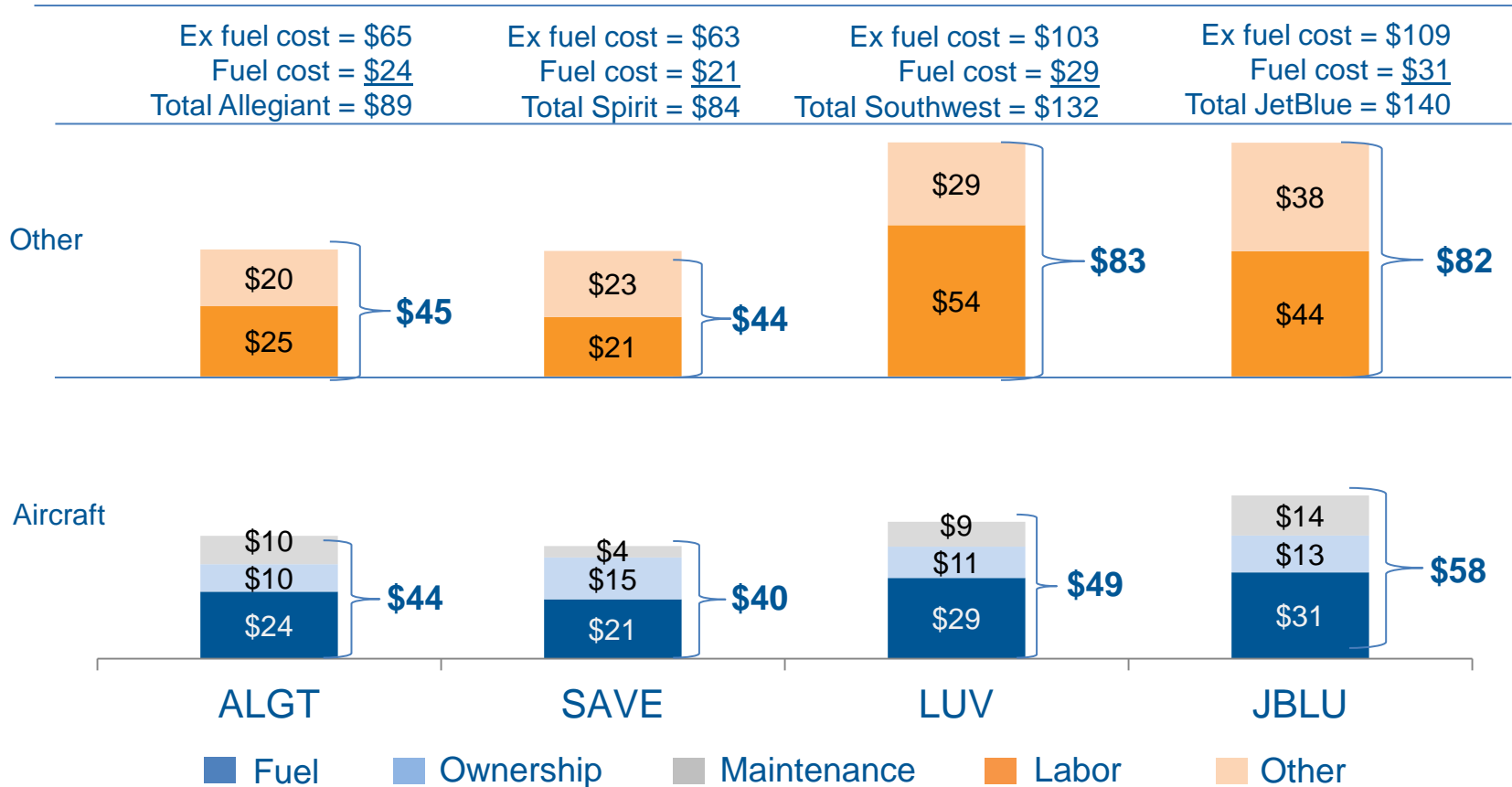


All revenue is revenue per scheduled passenger



Low cost drivers

LTM 2Q16 cost per passenger

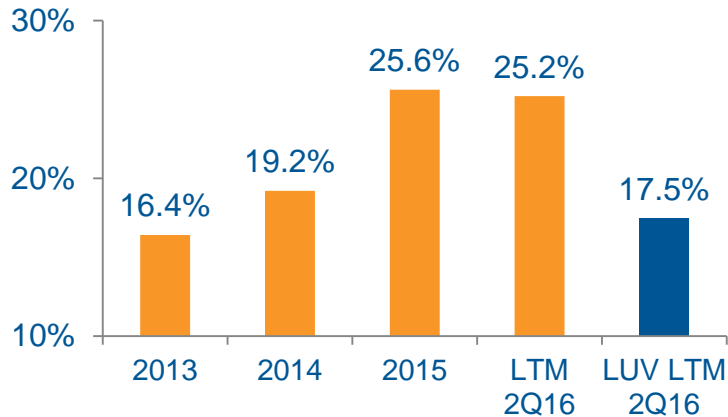


Source: Company filings
 Ownership includes depreciation & amortization + aircraft rent
 Other excludes special items and one-time charges for other carriers

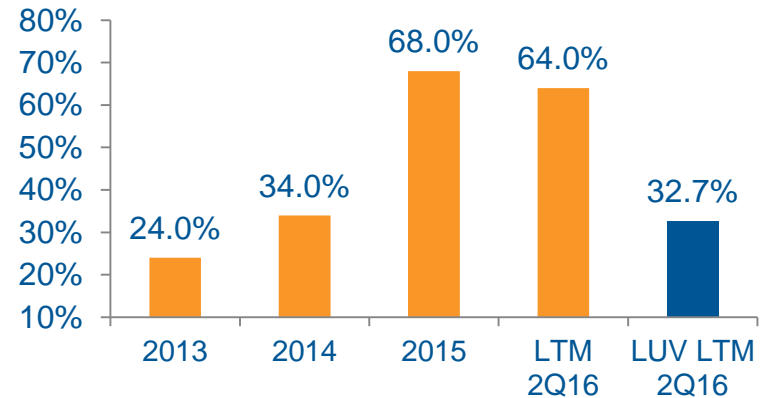


Credit metrics

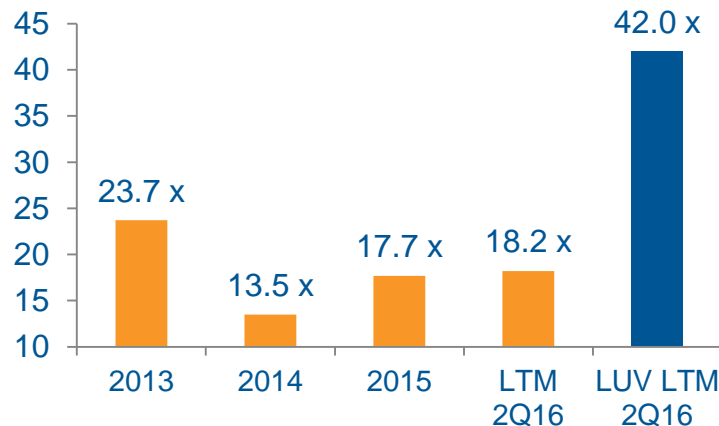
Return on capital employed



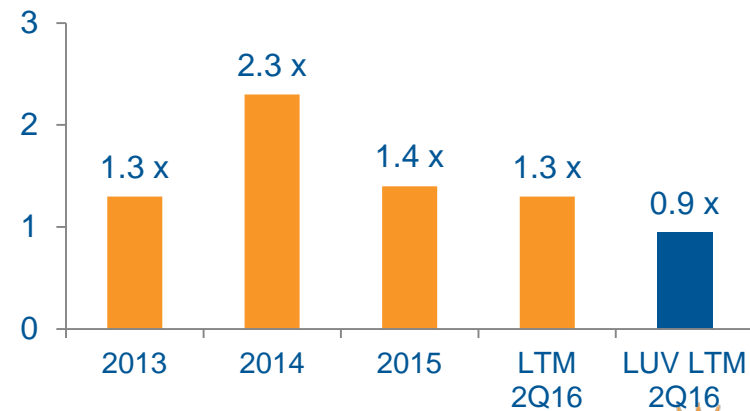
Return on equity



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

Capitalization structure

	Actual 6/30/16 (MM USD)	Debt to LTM EBITDAR	Avg rate	Year of maturity
LTM EBITDAR	496.9			
Secured by aircraft – floating	142.1		Libor + 3.04%	2018
Secured by aircraft – floating	31.4		Libor + 2.46%	2019
Secured by aircraft – floating	68.8		Libor + 1.72%	2020
Secured by aircraft – floating	26.5		Libor + 1.75%	2021
Secured by aircraft – fixed	<u>22.7</u>		3.60%	2018
Total	291.5			
Secured by real estate – fixed	9.2		2.86%	2018
Secured by real estate – fixed	<u>7.2</u>		2.86%	2020
Total	16.4			
Revolver	<u>25.0</u>		Libor + 1.70%	2020
Total secured debt	332.9	0.7x		
Senior note	<u>298.2</u>		5.50%	2019
Total debt	631.1	1.3x		
7x LTM aircraft rent	<u>9.7</u>			
Adjusted debt	640.8	1.3x		

Avg rate is a weighted average of debt with common maturity years
Debt table excludes fees to be paid on the revolver due in December 2017

