

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 1, 2021

Allegiant Travel Company

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation)

001-33166

(Commission File Number)

20-4745737

(I.R.S. Employer Identification No.)

1201 North Town Center Drive

Las Vegas, NV

(Address of principal executive offices)

89144

(Zip Code)

Registrant's telephone number, including area code: (702) 851-7300

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value \$0.001	ALGT	NASDAQ Stock Market

Indicate by check mark whether the registrant is an emerging growth company as in Rule 405 of the Securities Act of 1933 (Section 17 CFR §230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (Section 17 CFR §240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Section 7 Regulation FD

Item 7.01 Regulation FD

On December 1, 2021, Allegiant Travel Company (the "Company") and Viva Aerobus issued a joint press release announcing a commercial alliance being pursued by the Company and Viva Aerobus and a filing for antitrust immunity with the U.S. Department of Transportation. Additional information concerning the proposed alliance is included in the Investor Deck filed as Exhibit 99.2 to this Form 8-K.

The information in Section 7 of this Current Report on Form 8-K and the Exhibits filed herewith is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. As such, this information shall not be incorporated by reference into any of the Company's reports or other filings made with the Securities and Exchange Commission.

Forward-Looking Statements: Under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, statements in the Exhibits to this Form 8-K that are not historical facts are forward-looking statements. These forward-looking statements are only estimates or predictions based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include our statements regarding the proposed alliance, the services to be provided and the economic benefits that may be realized, as well as other information concerning future results of operations, business strategies, competitive position, industry environment, and potential growth opportunities. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believe," "expect," "anticipate," "intend," "plan," "estimate," "project," "hope" or similar expressions.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in the forward-looking statements. Important risk factors that could cause our results to differ materially from those expressed in the forward-looking statements generally may be found in our periodic reports filed with the Securities and Exchange Commission at www.sec.gov. These risk factors include, without limitation, the impact and duration of the COVID-19 pandemic on airline travel and the economy, an accident involving, or problems with, our aircraft, public perception of our safety, our reliance on our automated systems, risk of breach of security of personal data, volatility of fuel costs, labor issues and costs, the ability to obtain regulatory approvals as needed, the effect of economic conditions on leisure travel, terrorist attacks, risks inherent to airlines, our competitive environment, our reliance on third parties who provide facilities or services to us, the possible loss of key personnel, economic and other conditions in markets in which we operate, governmental regulation and cyclical and seasonal fluctuations in our operating results. Specific risk factors impacting the Allegiant – Viva commercial alliance include the ability to obtain required government approvals on a timely basis, the ability to provide international service to Allegiant cities not currently offering international service, reliance on Viva Aerobus to provide air service on the announced routes to be served by them, the ability to establish the necessary systems to support the commercial alliance in a timely manner and customer acceptance of the new service offerings.

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.

Section 9 Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

- a. Not applicable.
- b. Not applicable.
- c. Not applicable.
- d. Exhibits

<u>Exhibit No.</u>	<u>Description of Document</u>
99.1	Press Release dated December 1, 2021
99.2	Investor Deck

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, Allegiant Travel Company has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 1, 2021

ALLEGIANT TRAVEL COMPANY

By: /s/ Gregory C. Anderson
Name: Gregory C. Anderson
Title: Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description of Document</u>
<u>99.1</u>	<u>Press Release dated December 1, 2021</u>
<u>99.2</u>	<u>Investor Deck</u>



ALLEGIANT, VIVA AEROBUS ANNOUNCE FIRST-OF-ITS-KIND COMMERCIAL ALLIANCE AGREEMENT

Fully-Integrated Alliance Between ULCCs Expected To Bring More Nonstop Flights, Lower Fares for Leisure Travel Between the U.S. and Mexico

LAS VEGAS. December 1, 2021 – Allegiant (NASDAQ: ALGT) and Viva Aerobus today announced plans for a fully-integrated Commercial Alliance Agreement, designed to dramatically expand options for nonstop leisure air travel between the United States and Mexico, while lowering fares to make travel more accessible and affordable for residents of both nations. The alliance is not only the first such venture for Las Vegas-based Allegiant and Viva Aerobus, but is also first-of-its-kind in the airline industry between two ultra low cost carriers (ULCCs).

Allegiant and Viva Aerobus have submitted a joint application to the U.S. Department of Transportation (DOT) requesting approval of and antitrust immunity for the alliance. Allegiant will also make an equity investment of \$50 million in Viva Aerobus, and Allegiant Chairman and Chief Executive Officer Maurice J. Gallagher, Jr. is expected to join the Viva Aerobus Board of Directors. The transactions are also subject to clearance by the Mexican Federal Economic Competition Commission.

Combining the unique product offerings, networks and market experience of two of the world's fastest-growing ULCCs, the alliance will achieve important public benefits that neither Allegiant nor Viva Aerobus could provide independently.

"Allegiant and Viva Aerobus operating together will be a tremendous win for consumers seeking affordable, nonstop travel between the U.S. and Mexico, and will create rippling economic benefits for hospitality sector business across both nations," said Allegiant's Gallagher. "This groundbreaking alliance should reduce fares, stimulate traffic, and ultimately link many new transborder cities with nonstop service. In short, it will bring meaningful ULCC competition to the U.S.-Mexico market for the first time in history."

"The U.S. – Mexico market is currently the largest international air travel market in the world; during the pandemic it has outperformed any other market due to a strong leisure and VFR (Visiting Friends & Relatives) recovery where both Viva Aerobus and Allegiant have excelled," said Juan Carlos Zuazua, chief executive officer, Viva Aerobus. "This unique ULCC alliance will create new non-stop connectivity and more competition, strengthening the immense Hispanic VFR market and offering amazing holiday get-aways for residents of both nations."

The only U.S.-based airline focused entirely on leisure travel, Allegiant currently offers nonstop service to more than 130 cities across the country. It does not currently serve Mexico. Monterrey-based Viva Aerobus offers extensive intra-Mexico service, as well as nonstop flights from Mexico to key destinations

in the U.S. and Latin America. The Alliance Agreement will afford Allegiant the opportunity to broaden its travel offerings to include new world-class vacation destinations such as Cancun, Los Cabos and Puerto Vallarta, Mexico. At the same time, Viva Aerobus will have access to Allegiant's distribution network and point-of-sale process, growing its U.S. customer base.

The alliance will also enable Viva Aerobus to add routes in the United States - particularly underserved or untapped-to-Mexico markets where Allegiant has a significant presence such as Las Vegas and several cities in Florida -- very popular destinations for Mexican tourists.

A fully-integrated and immunized alliance will afford Allegiant and Viva Aerobus coordination across all areas of airline operations - including code-sharing, scheduling, marketing, information systems and loyalty programs, providing seamless access and benefits for customers of both airlines.

The alliance is anticipated to add new transborder routes and nonstop competition where currently only connecting service is available. More than 250 new potential route opportunities have been identified as part of the DOT application, though specific routes targeted for service will be announced at a later date, following the application's approval.

Allegiant and Viva Aerobus currently expect to offer flights under the alliance beginning in the first quarter of 2023, pending governmental approval of the application. Per national requirements, Allegiant and Viva Aerobus will in parallel file for alliance approval with regulatory authorities in Mexico, including with the Mexican Federal Economic Competition Commission.

Barclays, Goldman Sachs and White & Case acted as financial and legal advisors for Viva Aerobus. WilmerHale and Garofalo Goerlich Hainbach, PC, acted as legal advisors for Allegiant.

Allegiant – Together We Fly™

Las Vegas-based Allegiant (NASDAQ: ALGT) is an integrated travel company with an airline at its heart, focused on connecting customers with the people, places and experiences that matter most. Since 1999, Allegiant Air has linked travelers in small-to-medium cities to world-class vacation destinations with all-nonstop flights and industry-low average fares. Today, Allegiant's all-Airbus fleet serves communities across the nation, with base airfares less than half the cost of the average domestic roundtrip ticket. For more information, visit us at Allegiant.com. Media information, including photos, is available at <http://gofly.us/iiFa303wrtF>

About Viva Aerobus

Viva Aerobus is Mexico's ultra-low-cost airline. It started operations in 2006 and today it operates the youngest Latin American fleet with 52 Airbus: 40 Airbus A320 and 12 Airbus A321. With a clear vision to give all people the opportunity to fly, Viva Aerobus has democratized the airline industry with the lowest fares in Mexico and the lowest cost structure in America, making their flights the best value offer. For more information please visit: www.vivaaerobus.com/en

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Viva Aerobus

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Under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, statements in this press release that are not historical facts are forward-looking statements. These forward-looking statements are only estimates or predictions based on our management's beliefs and assumptions and on information currently available to our management. 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.



Dec. 1, 2021

First ULCC
Metal Neutral
Commercial Alliance –
Investor Deck

The Opportunity:

- Stimulating travel by US nationals to world class Mexican beaches by leveraging Viva's and Allegiant's low-cost operating structures with Allegiant's premium distribution arm
- Spread ULCC savings to more consumers – Allowing Allegiant to enter markets it otherwise could not, like Mexico City

The Geography:

- Mexican beaches: world's great travel bargain – Agreement provides lower risk investment for Allegiant to other international markets (Despite three previous applications for international/Mexican service, Allegiant never prioritized its implementation)
- Opportunity to stimulate demand for Mexican nationals to travel to US leisure destinations
- Seasonality – domestic Mexico travel trend is counter-cyclical travel to Allegiant domestic US demand

The Partners:

- Alignment of cultures: Both Chairman founders and largest shareholders driving complementary "owners" culture among leadership
 - Both airlines focused in ULCC space and are leaders during pandemic and beyond in respective jurisdictions

The Structure:

- Full "merger" of transborder flying between the two ULCC parties with 8 working groups to manage the transborder alliance
- Agreement pro consumer, greatly enhancing public benefit

The Potential (economics):

- Significant accretion for both entities – win/win

The Investment (equity):

- Strategic investment by Allegiant into Viva, expected to strengthen relationship

Cost Synergies

- Training & simulator facilities
- Consolidated materials/services purchases to reduce cost
- Airport fees/contracts cost reduction for VB @ US stations
- Enhanced utilization of aircraft and overhead on off-peak times

Revenue Synergies

- Allegiant's commercial experience in the US leisure market
- Allegiant's U.S. distribution at higher unit revenue
- Viva Aerobus' knowledge and business relationships with existing Mexican resorts and tour operators
- Upwards of 300 non-stop route ideas, a majority on routes with no existing non-stop service

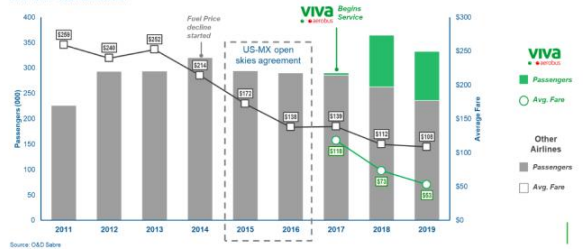
Operational Synergies

- "Metal Neutral" flying with similar cost structures allow significant operational synergies
- Sharing of resources and facilities across both sides of the border:
 - Customer call centers
 - Crew training
 - Maintenance
- Viva Aerobus' bus network for last mile

IND - AUS, LAS, Tampa Bay Area, Southwest Florida & MYR Passengers and Average Fare
2011 - 2021 | Q4Q Nondirectional

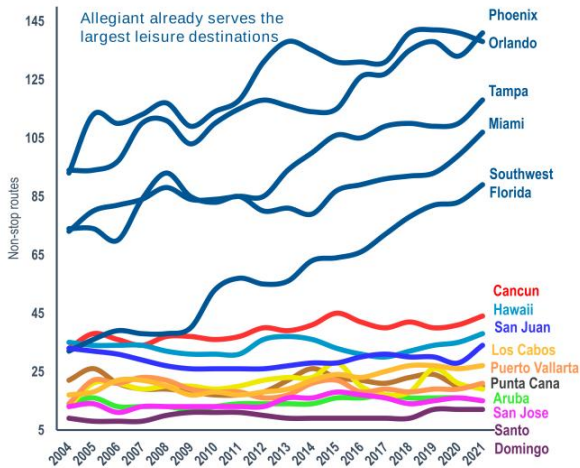


MEX-LAS Passengers and Average Fare
2011 - 2019 | Q4Q Nondirectional

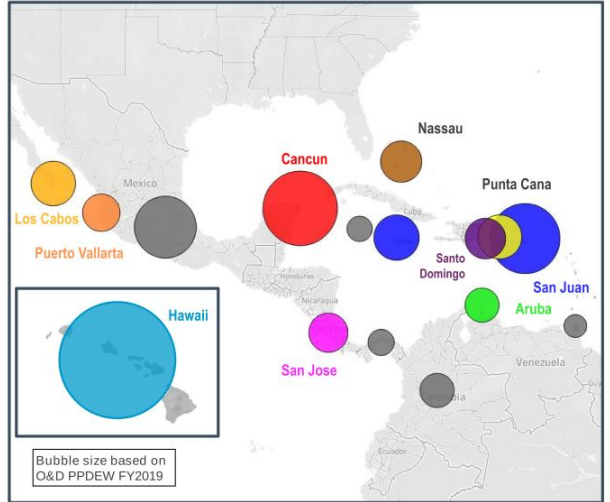


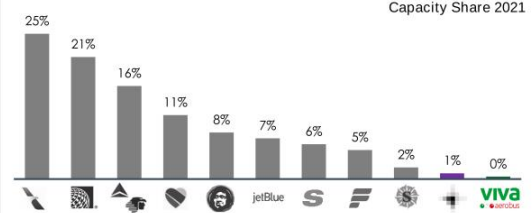
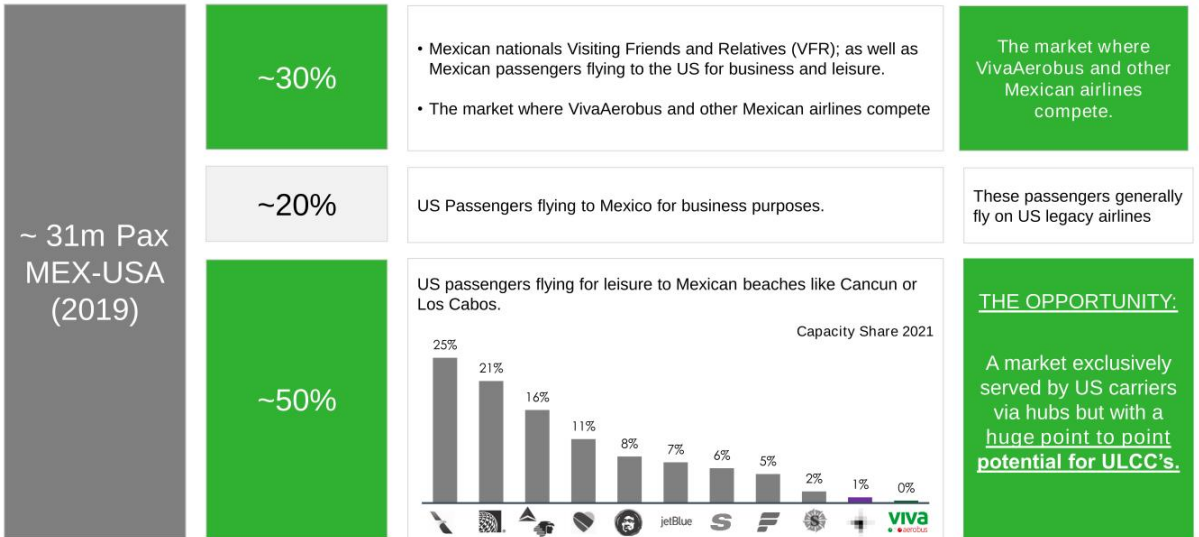
Leisure destinations within narrowbody range

Non-Stop Routes To Leisure Destinations From US
2004-2021

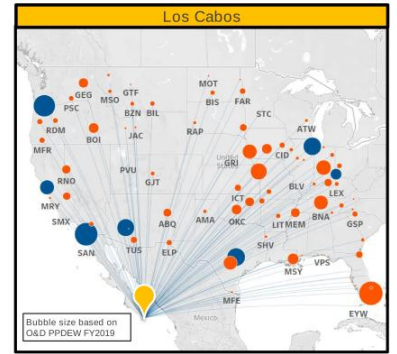
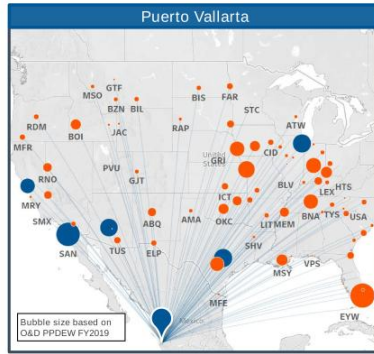
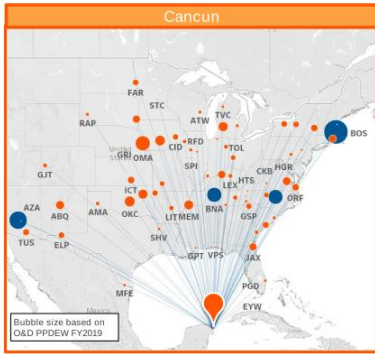


Sabre O&D Market Intelligence, Schedules





Non-stop markets without ULCC service



83 Allegiant airports { 76 no non-stop service
7 non-stop but non-ULCC
(FY 2021 metro basis)

90 Allegiant airports { 82 no non-stop service
8 non-stop but non-ULCC
(FY 2021 metro basis)

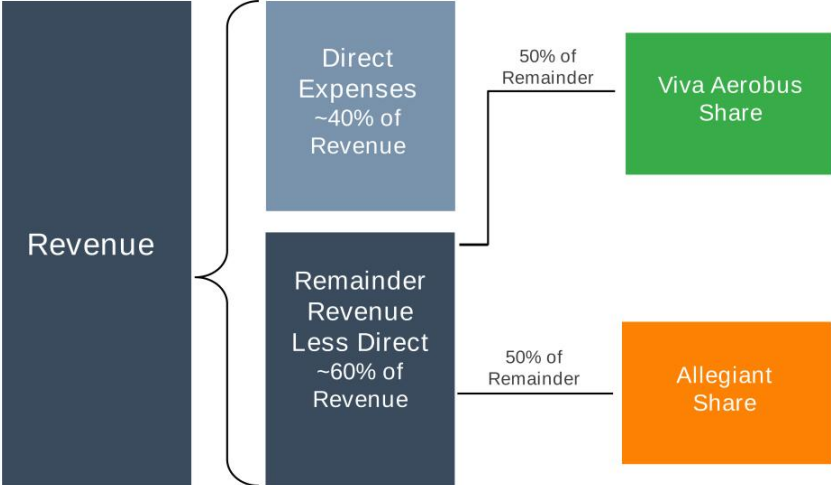
91 Allegiant airports { 81 no non-stop service
10 non-stop but non-ULCC
(FY 2021 metro basis)

Source: Schedules, Sabre O&D Market Intelligence

Note: Includes all Allegiant airports as of FY2021 within 1,900mi range. Many route opportunities would require additional customs federal inspection facilities

Agreement structure

Key Terms	Details
Joint Venture Scope	<ul style="list-style-type: none"> Scheduled service on all non-stop routes between the US and Mexico Connecting flights beyond US/Mexico Public charter coordination on all points between US and Mexico (private charters excluded)
Management	<ul style="list-style-type: none"> JV Executive Committee – 4 executive leaders from each JV partner – meet 2x annually 8 Other committees – Network, Marketing, Stations/Ops, IT, CELT, Revenue Management, Fleet, Finance & Accounting, to meet 4x annually to review, plan and coordinate
Exclusivity	<ul style="list-style-type: none"> Exclusive partners – neither partner will request government approval for or implement a separate JV, alliance, or codeshare involving service between Mexico and the US while the JV is in effect The parties may jointly decide to add an additional JV partner only on the condition of both parties' approval
Commercial Cooperation/Coordination	<ul style="list-style-type: none"> Fully integrated alliance – marketing, sales, revenue management, network, IT, reciprocal codeshare Complete "Metal neutrality" Co-ground handling and co-located at airports where applicable Joint branding where applicable Reciprocity on loyalty and Frequent Flyer Program (FFP) benefits – loyalty points coordination
Revenue/Profit share	<ul style="list-style-type: none"> 50/50 profit sharing on all "new" JV routes – controllable variable costs covered dollar for dollar for operating carrier, revenue above cost split equally Incremental profit share on "existing" routes to US/Mexico points at established 2021 baseline
Network Governance	<ul style="list-style-type: none"> By mutual consent – coordination between network and revenue management teams Restrictions on unilateral network decisions for points between the US and Mexico
Timing	<ul style="list-style-type: none"> JV to be implemented no later than 30 days after receipt of all government and regulatory approvals including antitrust immunity – joint network plan and flights for sale within the following 90 days
Term	<ul style="list-style-type: none"> Indefinitely and for a minimum period of at least fifteen years with one-year cancellation window with payment penalty upon change of control

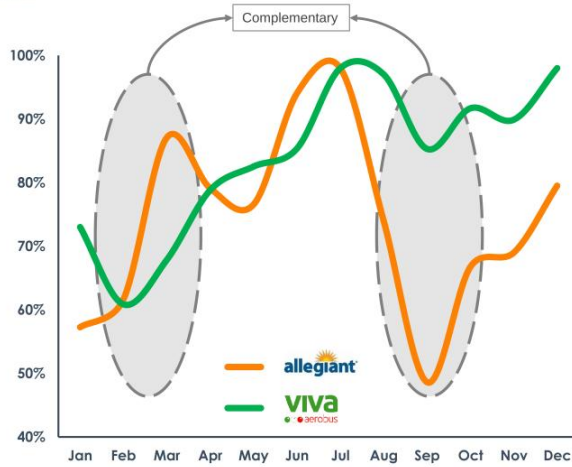


- Experienced and well-connected partners in Mexico helps insulate risk
- Alignments of cultures; Strong and complementary management teams on both sides
- Both Allegiant and VIVA are ULCCs based in the US and Mexico, respectfully, and both well positioned to thrive in post-pandemic world



Viva Aerobus and Allegiant's complementary seasonality

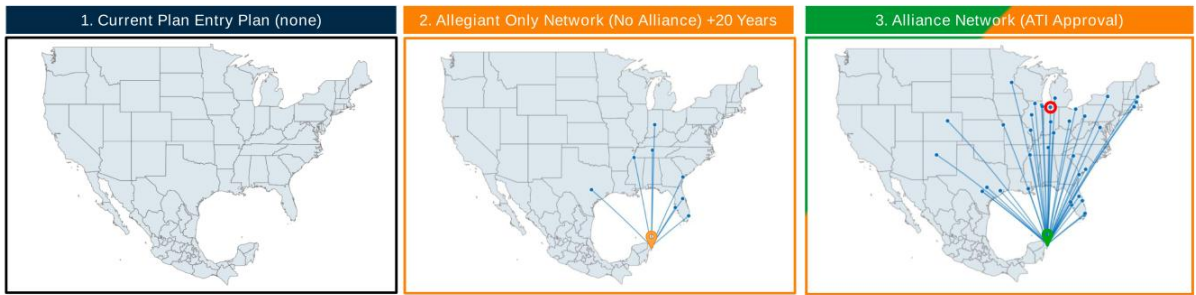
Departures as % of Peak Month
2019



- Q1 strongest quarter for beach traffic, but weakest for Viva
- Opportunity to maximize flying on Saturday - an off-peak day for Allegiant, particularly on the US West Coast, but a peak day in Mexican beach markets

Source: Schedules

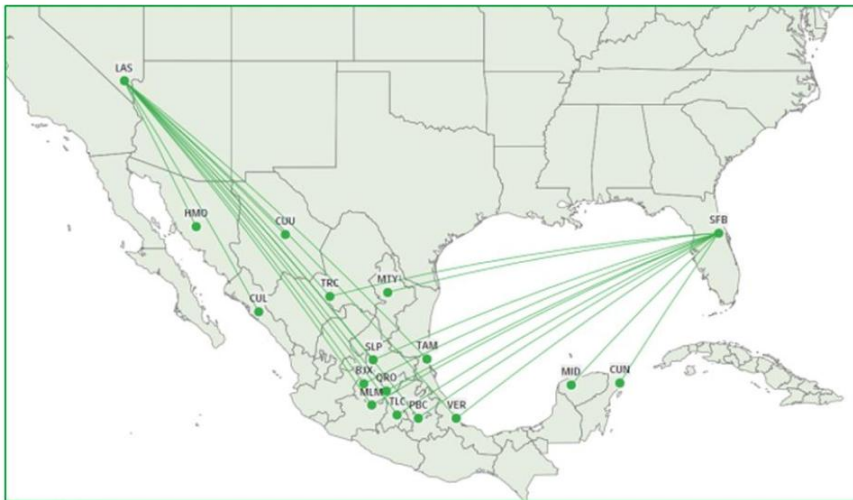
CUN Non-Stop City Pairs Example



- Call Out: CUN – SBN
- Not easily routable for G4
 - No out & back
 - No aircraft or crew base
- Viva could operate it easily
- Allegiant has a strong Point of Sale in SBN

*ATI Antitrust Immunity

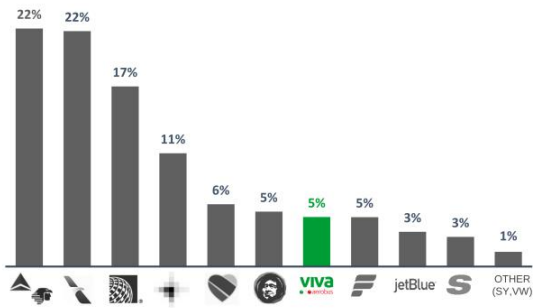
Allegiant's lower costs at US airports and the ability to connect with Allegiant's network will enable Allegiant and Viva to launch thin routes from mid-size Mexican cities to US leisure destinations.



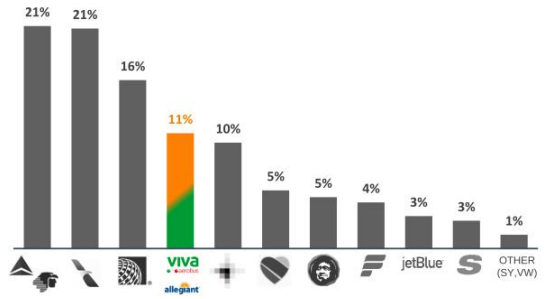
Expected benefits to Viva

- Lower ground handling cost
- Lower fuel contracts
- Lower airport / gates costs
- Connecting with other US destinations

Transborder Market Distribution
2021: O&D Passengers

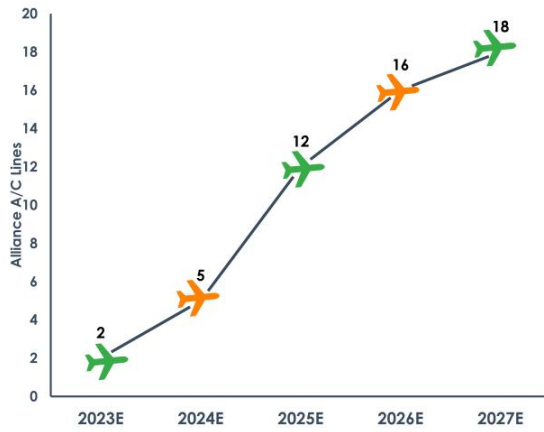


Potential Transborder Market Distribution
With Allegiant/Viva Aerobus Alliance

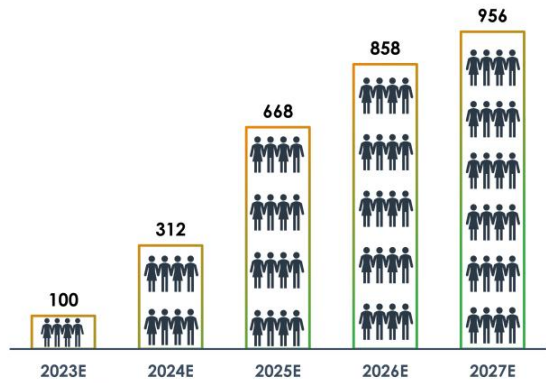


Sources: O&D Sabre (Market Intelligence). Potential Transborder Market Distribution assumes 2026 network with 88 transborder routes and on average 16 A/C lines dedicated to Alliance flying

Incremental Aircraft Lines due to Alliance
2023E - 2026E – Transborder Flights



Job Growth at Allegiant and Viva due to Alliance
2023E-2027E



Source: Internal Financial Model

Alliance (JV) and equity investment will add value

- \$50 million equity stake in Viva – comparable to similar stakes by Delta/United/American in JV partners
- Board seat on Viva board to be held by Maury Gallagher pending Mexican governmental approval

Revenue for Allegiant-operated flights in JV

JV profit sharing settlements in other revenue

Expenses for Allegiant-operated flights in JV

ALLEGiant TRAVEL COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended September 30,	
	2021	2020
OPERATING REVENUES:		
Passenger	\$ 423,796	\$ 181,916
Third party products	24,541	11,337
Fixed fee contracts	11,117	5,294
Other	15	2,447
Total operating revenues	459,469	200,994
OPERATING EXPENSES:		
Salary and benefits	125,799	95,829
Aircraft fuel	118,370	52,540
Station operations	70,943	39,954
Depreciation and amortization	46,399	45,291
Maintenance and repairs	30,461	14,538
Sales and marketing	22,047	7,967
Aircraft lease rental	5,670	3,015
Other	22,379	19,755
Payroll Support Programs grant recognition	(49,210)	(77,900)
Special charges	332	33,585
Total operating expenses	393,180	234,065
OPERATING INCOME (LOSS)	66,289	(33,071)
OTHER (INCOME) EXPENSES:		
Interest expense	16,595	11,943
Capitalized interest	(401)	—
Interest income	(375)	(869)
Loss on debt extinguishment	—	—
Special charges	—	—
Other, net	239	552
Total other expenses	16,058	11,627
INCOME (LOSS) BEFORE INCOME TAXES	50,231	(44,706)
INCOME TAX PROVISION (BENEFIT)	10,977	(15,565)
NET INCOME (LOSS)	\$ 39,254	\$ (29,143)
Earnings (loss) per share to common shareholders:		
Basic	\$ 2.18	\$ (1.82)
Diluted	\$ 2.18	\$ (1.82)
Shares used for computation:		
Basic	17,766	16,006
Diluted	17,767	16,006
Cash dividends declared per share:	\$ —	\$ —

Asset light hotel management potential opportunities

Available Rooms in Cancun by Hotel Category
2010 and 2020



Source: Mexico Secretariat of Tourism

Hotels within 40mins from CUN
~456 hotels/resorts

Average length of stay
5 days (5 stars resorts)

Resorts size range from
500 to 2,500 rooms

New resorts opening in '22
6 resorts & 2,800 rooms



Expected timeline – subject to regulatory approval



External events outside of Allegiant and Vivaerobus control could delay the expected timeline. These events include pandemic-related concerns, market performance, and Mexico's successful resolution of IASA's audit.

