

America's Fastest Growing Airline

ACI CEO Forum February 2020

spirit[®]

MISSION STATEMENT

**Deliver the best value in the sky
and be the most successful
airline on Earth!**

Travelers Care About

**80% of travelers
say low fares are
most important**

**Other items that
travelers care about**

Price

Schedule

Inflight Entertainment

Frequent Flyer Program

Seat Selection

Ease of Booking

Onboard Food and Beverage

Other

$$\text{VALUE} = \frac{\text{EXPERIENCE}}{\text{PRICE}}$$



**We've Been
in the News
Lately...**



**“Most Improved
Airline”**



**“Most On-Time Low-Cost
Airline in U.S.”**



**“Value Airline
of the Year”**



CAPA's 2019 Low Cost Carrier of the Year





Announcement of New HQ





Bringing More Go to Colombia





**And We Are
Growing...**





**Order of 100
A320neo
Family
Aircraft + 50
Options**





America's Fastest-Growing Airline

- 600+ daily flights, 77 destinations
- Diversified network
- Primarily low frequency, point-to-point
- Serve 23 of the Top 25 U.S. metros, many large U.S. leisure markets and 29 destinations in Latin America and the Caribbean
- Demographic affinity between Florida & Caribbean/Latin America

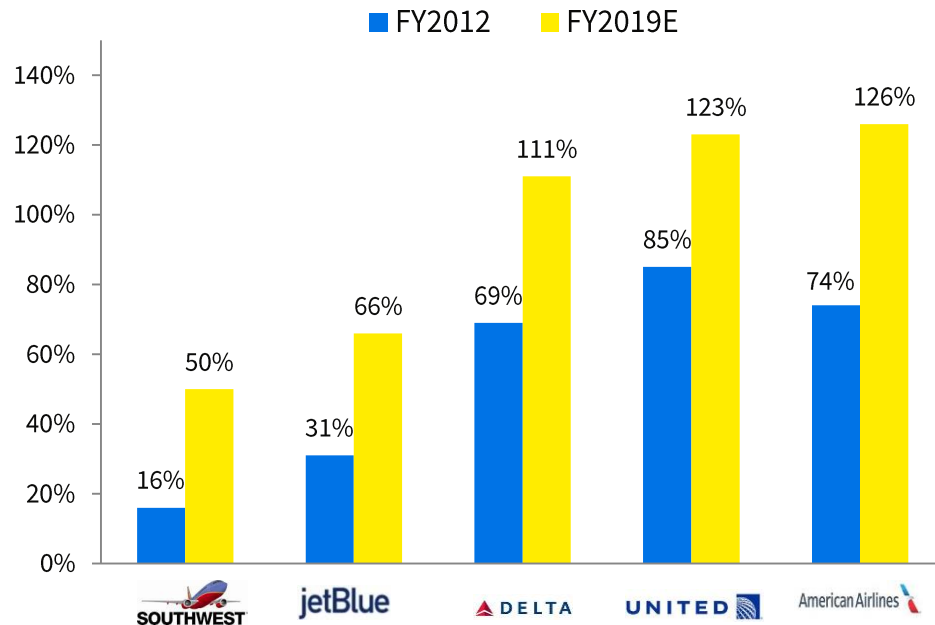


Spirit's relative cost advantage has grown

- Spirit's unit cost advantage is our most important asset
- We believe that our relative cost advantage will increase over the next five years
- Spirit's opportunities to further improve its cost structure include:
 - Cost benefits as we further improve our operational reliability
 - Opportunities to optimize utilization
 - "Juniority" benefit - adding new flight crew members mitigates inflationary unit cost pressures of an aging workforce
 - Increased scale benefits as we grow
 - Commitment to a low cost mindset
 - Use of technology to enhance efficiency

Spirit's Relative Cost Advantage Has Grown

S-L Adjusted CASM – Ex Fuel % Higher than Spirit⁽¹⁾



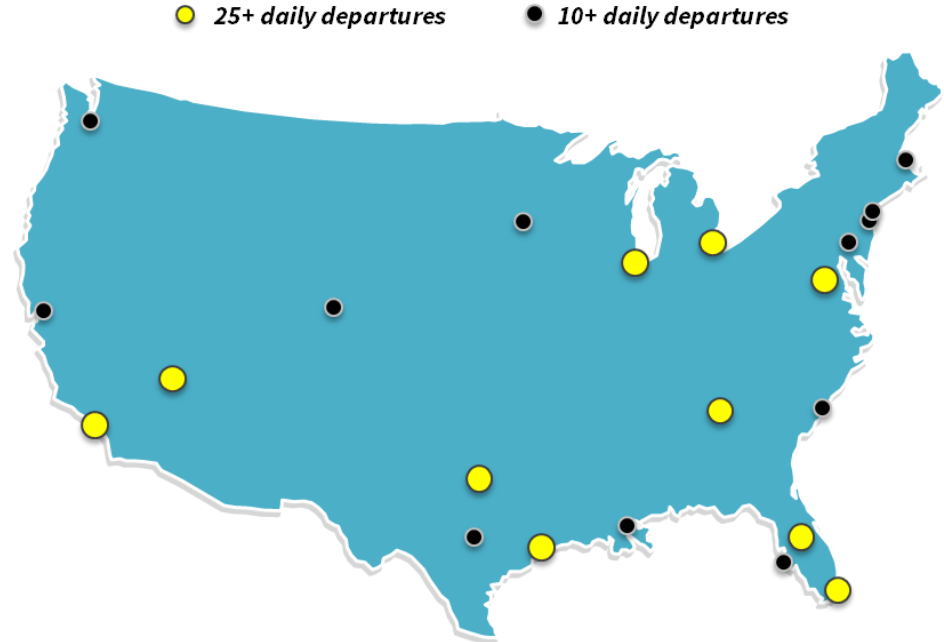
Cost data based on public company reports for the twelve months ended 12/31/12 and company estimates for 2019. Excludes special items and non-airline expenses for all carriers. Seat weighted stage length adjusted to 1000 miles. Formula = CASM multiplied by (airline stage length/1000)^0.5. Stage length based on published schedules for twelve months ended 12/31/2019.



Growing Network from a Position of Strength

Leveraging our scale in key cities to enhance service depth & breadth

- 10 cities with 25 or more daily departures; more than 20 cities of 10 or more departures
- Significant growth in large leisure markets such as Las Vegas & Orlando
- Diversified international footprint from multiple gateways
- Increased seasonal differentiation
- Invested in improving operational reliability





3 Types of Core Spirit Markets

Large Leisure Destinations

Orlando, Ft. Lauderdale, Las Vegas, New Orleans, Myrtle Beach, Ft. Myers

- Builds connectivity to diverse origin cities
- Cost advantage is a key benefit to profitably serve these markets as they generally have lower passenger yields

Big Origination Cities

Large metropolitan cities

- Access to these cities is essential to effectively serve other types of markets
- Spirit already has a presence in these markets that are largely gate or slot constrained
- Spirit has the strongest position among ULCCs and our breadth of access is difficult to replicate

International

Latin America, Caribbean & northern South America

- International capacity currently accounts for approximately 15% of Spirit's total capacity
- Unique niche developed in Visiting Friends & Relatives (VFR) markets
- Large leisure international markets
- Spirit has substantial experience in transacting and doing business internationally

Building a network designed to serve low fare leisure passengers

Not all ULCCs are created equal...

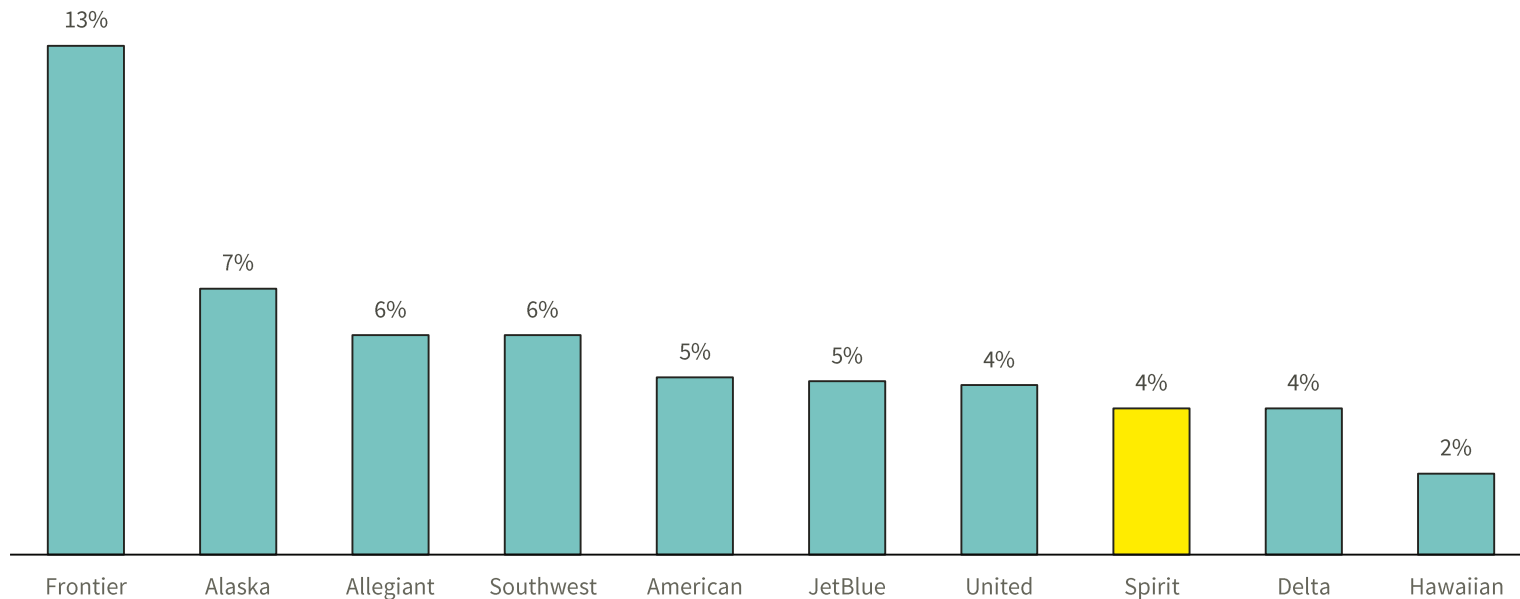


Avg dly departures 2019	626	385	288
Cities served	76	112	129
Domestic	52	106	126
International	24	6	3
Routes served	319	426	480

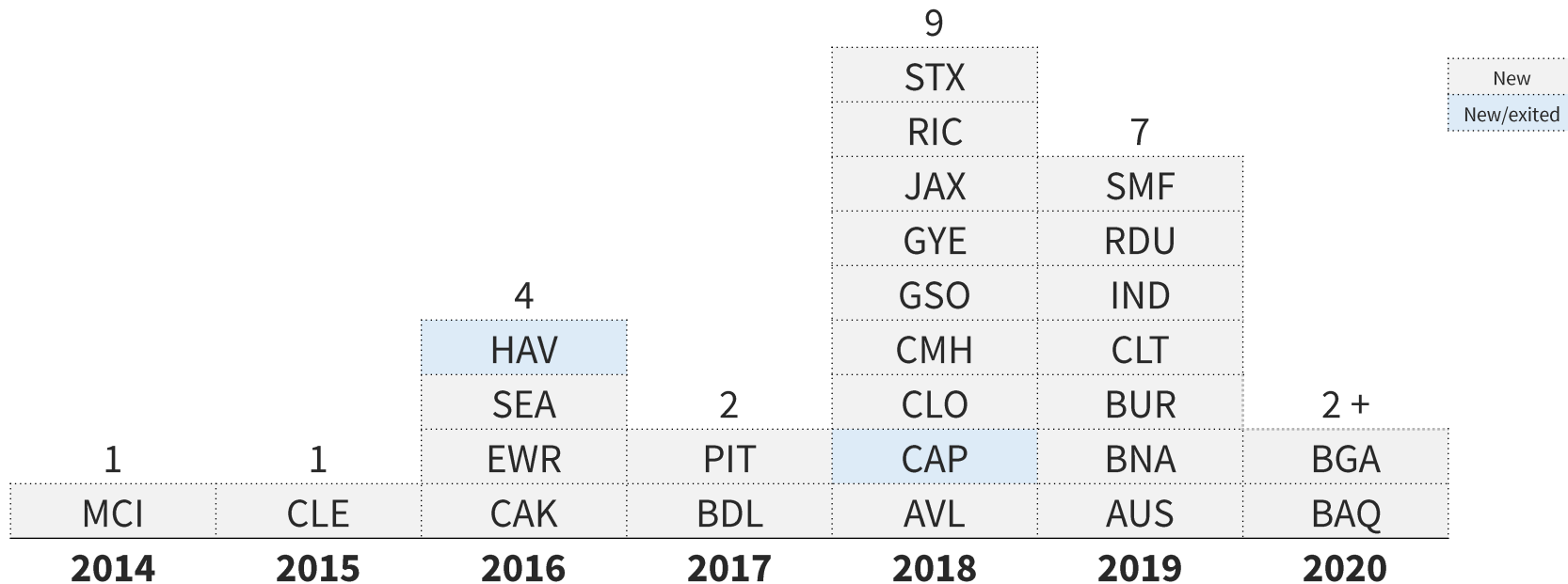
City depth	8.2	3.4	2.2
Avg frequency	1.0	0.5	0.3

»»» ...and we are more stable than most

% of routes cut, July 2019 vs July 2018 (source: The Points Guy)



»»» Fewer New Cities In 2020 To Absorb Previous Years Growth



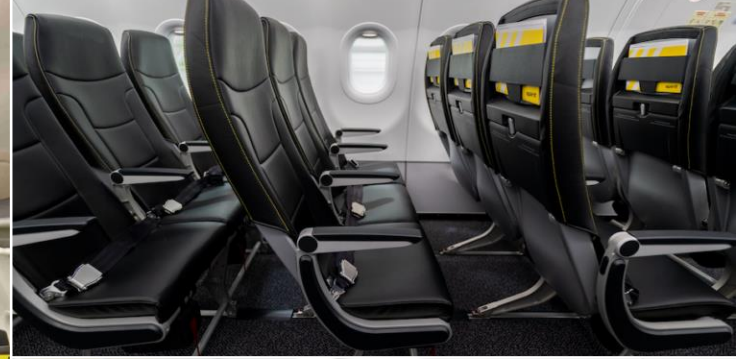
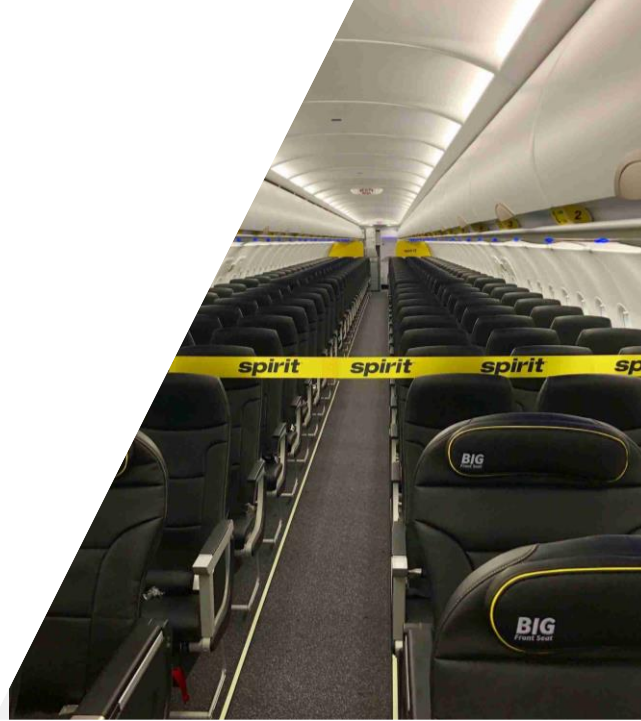


**We Continue
to Invest In
Our Guests...**





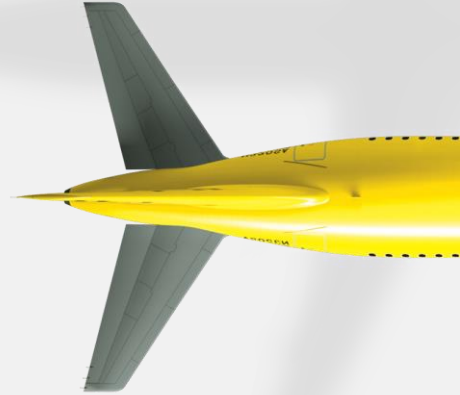
Arrival of Our First Aircraft with The New Cabin



Spirit Signature Service

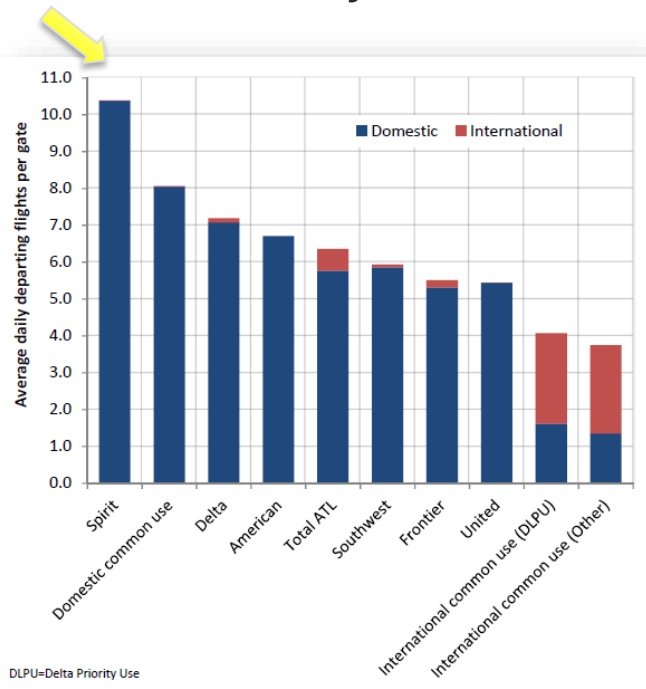


Airport & Airline Partnership

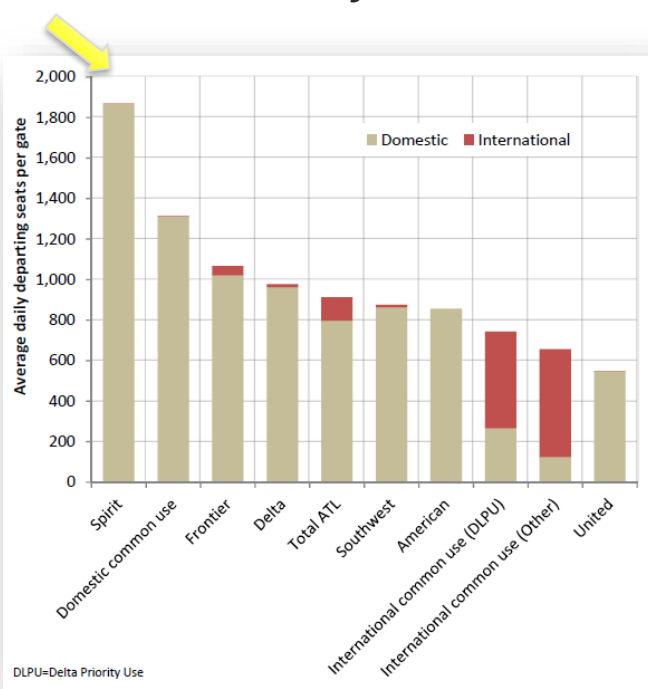


Spirit is an efficient gate user

Turn utilization by carrier at ATL

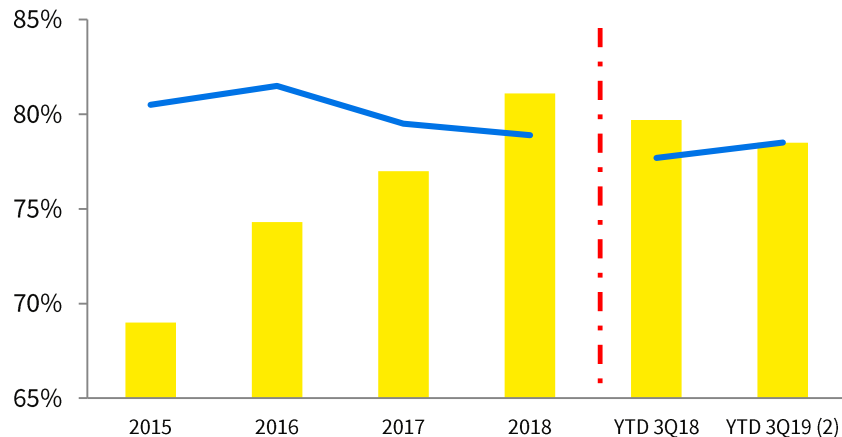


Seat utilization by carrier at ATL

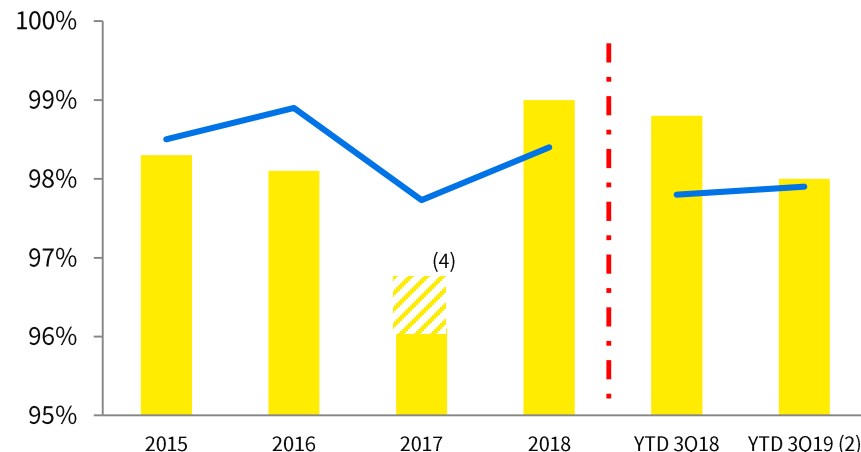


We outperform our peers in on-time performance

D.O.T. On-Time %⁽¹⁾



Completion Factor⁽³⁾



■ Spirit ■ Industry Excluding Spirit

Arrivals within 14 minutes of scheduled arrival time as reported by the Department of Transportation.
Based on preliminary data.
Percentage of domestic scheduled flights (as defined by the D.O.T.) completed.
Adjusted for labor disruption.

#4 in on-time arrivals in both 2018 & 2019

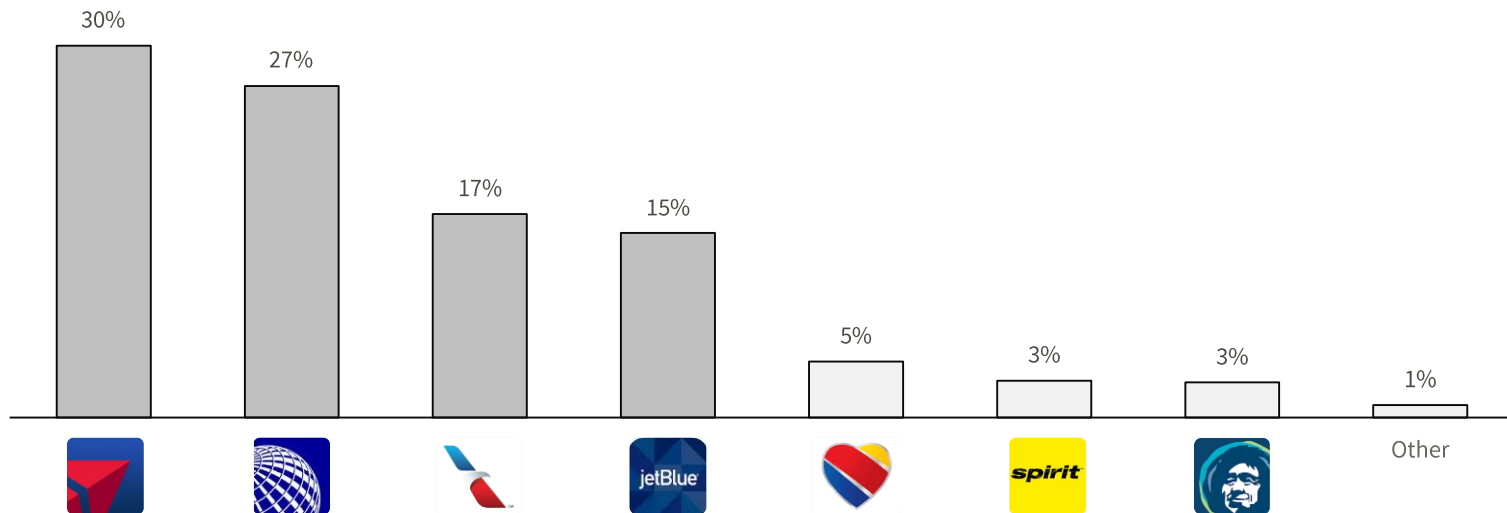


Airport Infrastructure Challenges



NYC is dominated by four airlines

2019 seat share in NYC


















Four carriers have ~90% share of NYC

Access in NYC is critical

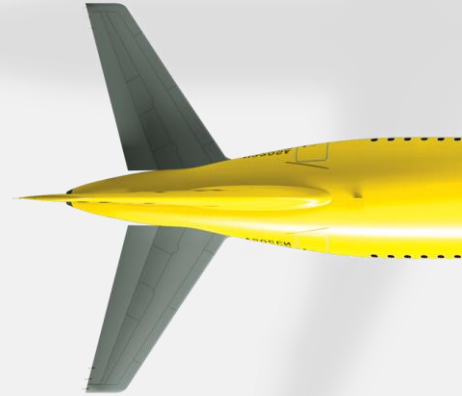
- Due to the United-Continental merger in 2010, airline forced by the DOJ to **divest 18 slot pairs** at EWR to Southwest **in order to keep some level of competition**
- Southwest peak time flight rights are **critical to maintaining competition** and **preventing monopolies or duopolies** for the largest airline at EWR
- **Market further suppressed by carriers who underutilize slot holdings or plan to consolidate via JVs**

Southwest exit leaves major gaps

Southwest markets flown from EWR in 2019

Market from EWR:	Post-Southwest	#1 carrier	#2 carrier	#3 carrier
Austin, TX	Monopoly			
Chicago, IL (Midway)	Unserviced			
Denver, CO	Monopoly			
Fort Lauderdale, FL	Competitive			
Indianapolis, IN	Monopoly			
Nashville, TN	Monopoly			
Oakland, CA	Unserviced			
Orlando, FL	Competitive			
Phoenix, AZ	Duopoly			
San Diego, CA	Duopoly			
St. Louis, MO	Monopoly			

The Importance of Being Green...



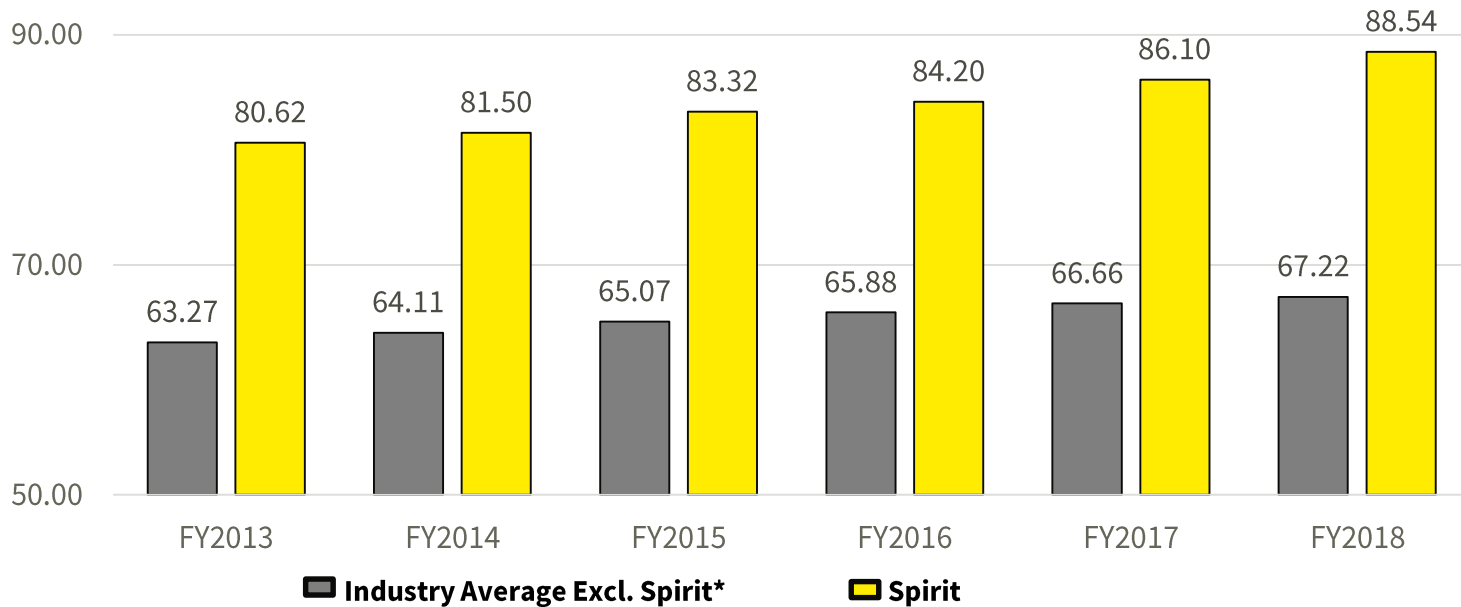
Spirit's unique business model minimizes environmental impact

- **Young fleet:** Spirit Airlines has one of the youngest fleets of any U.S. airline. Newer aircraft provide substantially higher fuel efficiency and reduce carbon emissions.
- **Next-generation “Neo” Aircraft:** Spirit was the first North American carrier to operate the “new engine option” (“Neo”) version of the Airbus A320 aircraft, powered by the most fuel-efficient engine ever made for this aircraft class. This revolutionary technology advance reduces the acoustic footprint by up to 50% and consumes 15-20% less fuel, reducing greenhouse gas emissions. Spirit expects to have 68 Neo aircraft by year-end 2021. All new aircraft delivering beyond in 2020 and going forward will be A320Neo family aircraft.
- **Aircraft density:** More seats per aircraft mean smaller carbon footprint per passenger and increased fuel efficiency (seat miles per gallon). Spirit is consistently an industry leader in lowest fuel consumption per passenger.



Fuel efficiency goes beyond saving money: environmentally critical

Available Seat Miles per Gallon





Spirit strives to generate environmental value through new initiatives and practices



- **CORSIA:** Spirit is now participating in the Carbon Offsetting Reduction Scheme for International Aviation, an emission mitigation approach for the global airline industry, developed by the International Civil Aviation Organization. We are in the MRV (Monitoring, Reporting, & Verification) phase. The goal of the MRV phase is to establish a baseline measurement of annual international carbon emissions in 2019-2020.
- **New Hybrite S Line Galley carts:** Our new Hybrite Full and Half galley carts are 4 and 3 lbs. lighter, respectively, than our current galley carts, which will save over 36 million gallons of fuel annually, once fully rolled out.
- **More Green:** Spirit is currently using recycled paper for our adult Café snack boxes and is working to eliminate our Styrofoam coffee cups and plastic straws and replace them with paper cups and wooden stirrers.

Questions

