

Allegiant Travel CO  
Form 10-Q  
October 30, 2017

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q  
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2017

OR  
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-33166

Allegiant Travel Company

(Exact Name of Registrant as Specified in Its Charter)

Nevada

20-4745737

(State or Other Jurisdiction of Incorporation or Organization) (IRS Employer Identification No.)

1201 North Town Center Drive

Las Vegas, Nevada

89144

(Address of Principal Executive Offices)

(Zip Code)

Registrant's Telephone Number, Including Area Code: (702) 851-7300

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company) 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.

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of the registrant's common stock outstanding as of the close of business on October 16, 2017 was 16,077,909.

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## PART I. FINANCIAL INFORMATION

## Item 1. Consolidated Financial Statements

ALLEGIANT TRAVEL COMPANY  
CONSOLIDATED BALANCE SHEETS  
(in thousands)

	September 30, 2017	December 31, 2016
	(unaudited)	
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$74,023	\$64,711
Restricted cash	17,335	11,647
Short-term investments	351,519	269,269
Accounts receivable	22,780	40,667
Expendable parts, supplies and fuel, net	20,444	16,797
Prepaid expenses	25,102	16,277
Other current assets	6,771	2,686
<b>TOTAL CURRENT ASSETS</b>	<b>517,974</b>	<b>422,054</b>
Property and equipment, net	1,331,798	1,095,314
Long-term investments	76,913	124,834
Deferred major maintenance, net	27,551	17,347
Deposits and other assets	11,736	12,027
<b>TOTAL ASSETS</b>	<b>\$1,965,972</b>	<b>\$1,671,576</b>
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$19,247	\$16,010
Accrued liabilities	84,210	96,661
Air traffic liability	224,554	194,001
Current maturities of notes payable, net of related costs	165,837	86,226
<b>TOTAL CURRENT LIABILITIES</b>	<b>493,848</b>	<b>392,898</b>
Long-term debt, net of current maturities and related costs	845,727	722,048
Deferred income taxes	140,050	75,338
Other noncurrent liabilities	12,521	7,670
<b>TOTAL LIABILITIES:</b>	<b>1,492,146</b>	<b>1,197,954</b>
<b>SHAREHOLDERS' EQUITY:</b>		
Common stock, par value \$.001	23	22
Treasury stock	(606,918 )	(517,803 )
Additional paid in capital	251,032	238,236
Accumulated other comprehensive loss, net	(1,645 )	(230 )
Retained earnings	831,334	753,397
<b>TOTAL EQUITY</b>	<b>473,826</b>	<b>473,622</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$1,965,972</b>	<b>\$1,671,576</b>

The accompanying notes are an integral part of these consolidated financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
<b>OPERATING REVENUE:</b>				
Scheduled service revenue	\$183,064	\$177,361	\$615,777	\$568,089
Ancillary revenue:				
Air-related charges	130,818	127,301	407,789	376,944
Third party products	12,348	11,259	39,394	34,482
Total ancillary revenue	143,166	138,560	447,183	411,426
Fixed fee contract revenue	11,831	9,183	34,120	22,690
Other revenue	10,708	8,377	28,140	24,743
Total operating revenue	348,769	333,481	1,125,220	1,026,948
<b>OPERATING EXPENSES:</b>				
Aircraft fuel	80,421	69,305	250,470	182,969
Salary and benefits	88,788	73,424	277,307	211,185
Station operations	37,148	32,252	107,979	96,313
Maintenance and repairs	28,870	26,263	87,611	82,016
Depreciation and amortization	31,894	25,881	92,571	75,962
Sales and marketing				