

Figure 4: Airline Enterprise Value to 2015E EBITDAR

Company	Ticker	Price 6/25/2014	Shares Out.	Equity Market Value	Preferred Equity	Minority Interest	Long-Term Debt	Short-Term Debt	Capitalized Operating Leases	Cash & Marketable Securities	Enterprise Value	Pretax Income	Interest Expense	D&A	Aircraft Rentals	Other Rentals	2015E EBITDAR	EV/ EBITDAR
<b>LEGACY AIRLINES</b>																		
<i>Major Networks</i>																		
Alaska	ALK-US	\$95.30	x 68.8	= \$6,556	+ \$0	+ \$0	+ \$721	+ \$113	+ \$2,278	- \$1,420	= \$8,248	\$784	+ \$30	+ \$297	+ \$120	+ \$205	= \$1,437	5.74x
American	AAL-US	43.91	x 736.1	= 32,320	+ 0	+ 0	+ 14,714	+ 1,764	+ 16,941	- 11,569	= 54,171	4,077	+ 950	+ 1,267	+ 1,316	+ 1,104	= 8,715	6.22x
Delta	DAL-US	39.35	x 848.0	= 33,369	+ 0	+ 0	+ 9,466	+ 1,578	+ 8,222	- 3,783	= 48,852	4,965	+ 790	+ 1,696	+ 218	+ 956	= 8,615	5.67x
Hawaiian	HA-US	14.03	x 53.2	= 746	+ 0	+ 0	+ 787	+ 153	+ 1,284	- 355	= 2,615	132	+ 60	+ 96	+ 124	+ 59	= 471	5.55x
United Continental	UAL-US	41.61	x 373.5	= 15,616	+ 0	+ 0	+ 10,834	+ 1,290	+ 16,638	- 5,073	= 39,305	1,949	+ 715	+ 1,725	+ 950	+ 1,427	= 6,765	5.81x
<b>Average</b>																	<b>5.80x</b>	
<b>GROWTH AIRLINES</b>																		
<i>Low Cost Carriers</i>																		
Alegiant	ALGT-US	\$118.33	x 17.9	= \$2,119	+ \$0	+ \$0	+ \$209	+ \$20	+ \$324	- \$356	= \$2,317	\$203	+ \$14	+ \$85	+ \$35	+ \$11	= \$348	6.66x
JetBlue	JBLU-US	10.66	x 296.8	= 3,164	+ 0	+ 0	+ 2,830	+ 307	+ 2,489	- 771	= 8,018	505	+ 155	+ 342	+ 152	+ 203	= 1,358	5.90x
Southwest	LUV-US	26.97	x 691.8	= 18,659	+ 0	+ 0	+ 2,172	+ 642	+ 7,404	- 3,498	= 25,379	1,881	+ 120	+ 929	+ 385	+ 673	= 3,988	6.36x
Spirit	SAVE-US	62.83	x 72.7	= 4,570	+ 0	+ 0	+ 0	+ 0	+ 2,280	- 544	= 6,306	412	+ 0	+ 66	+ 255	+ 71	= 803	7.85x
<b>Average</b>																	<b>6.69x</b>	
<i>Regional Airlines</i>																		
Republic	RJET-US	\$10.80	x 49.8	= \$538	+ \$0	+ \$0	+ \$1,920	+ \$304	+ \$1,206	- \$303	= \$3,665	\$111	+ \$125	+ \$182	+ \$157	+ \$15	= \$591	6.20x
SkyWest	SKYW-US	11.91	x 51.1	= 609	+ 0	+ 0	+ 1,286	+ 181	+ 2,940	- 543	= 4,472	95	+ 90	+ 267	+ 371	+ 49	= 872	5.13x
<b>Average</b>																	<b>5.67x</b>	
<i>Emerging Market</i>																		
Aeromexico	AEROMEX-MX	Ps\$21.90	x 713.6	= Ps\$15,627	+ Ps\$0	+ Ps\$6	+ Ps\$7,737	+ Ps\$1,325	+ Ps\$30,956	- Ps\$3,615	= Ps\$52,036	Ps\$2,336	+ Ps\$1,360	+ Ps\$1,846	+ Ps\$4,422	+ Ps\$0	= Ps\$9,964	5.22x
Avianca	AVH-US	\$16.32	x 137.7	= \$2,247	+ \$0	+ \$6	+ \$1,990	+ \$327	+ \$2,391	- \$573	= \$6,388	\$344	+ \$120	+ \$342	+ \$342	+ \$0	= \$1,147	5.57x
Copa	CFA-US	143.36	x 44.4	= 6,361	+ 0	+ 0	+ 883	+ 156	+ 1,315	- 1,116	= 7,589	681	+ 45	+ 136	+ 116	+ 72	= 1,050	7.23x
GOL	GOL-US	5.59	x 276.7	= 1,547	+ 0	+ 270	+ 2,105	+ 202	+ 2,623	- 1,103	= 5,645	128	+ 204	+ 271	+ 375	+ 0	= 978	5.77x
LATAM	LFL-US	13.60	x 541.0	= 7,358	+ 0	+ 85	+ 7,267	+ 1,521	+ 4,259	- 1,970	= 18,540	841	+ 420	+ 1,128	+ 465	+ 144	= 2,998	6.18x
Volaris	VLRUS-US	8.54	x 101.2	= 864	+ 0	+ 0	+ 42	+ 0	+ 1,442	- 177	= 2,171	93	+ 1	+ 29	+ 206	+ 0	= 329	6.60x
<b>Average</b>																	<b>6.10x</b>	

Source: Thomson One, Company Filings, and Deutsche Bank Airline Research

