

Figure 3: Airline Enterprise Value to 2014E 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	2014E EBITDAR	EV/ EBITDAR
LEGACY AIRLINES																		
<i>Major Networks</i>																		
Alaska	ALK-US	\$95.30	x 68.8	= \$6,556	+ \$0	+ \$0	+ \$721	+ \$113	+ \$2,325	- \$1,420	= \$8,294	\$675	+ \$35	+ \$286	+ \$119	+ \$214	= \$1,327	6.25x
American	AAL-US	43.91	x 736.1	= 32,320	+ 0	+ 0	+ 14,714	+ 1,764	+ 16,755	- 11,569	= 53,985	3,716	+ 862	+ 1,235	+ 1,357	+ 1,037	= 8,206	6.58x
Delta	DAL-US	39.35	x 848.0	= 33,369	+ 0	+ 0	+ 9,466	+ 1,578	+ 8,004	- 3,783	= 48,634	4,222	+ 756	+ 1,689	+ 208	+ 936	= 7,810	6.23x
Hawaiian	HA-US	14.03	x 53.2	= 746	+ 0	+ 0	+ 787	+ 153	+ 1,199	- 355	= 2,530	119	+ 53	+ 94	+ 116	+ 56	= 437	5.79x
United Continental	UAL-US	41.81	x 373.5	= 15,616	+ 0	+ 0	+ 10,834	+ 1,290	+ 16,668	- 5,073	= 39,335	1,402	+ 698	+ 1,660	+ 890	+ 1,491	= 6,142	6.40x
Average																		6.25x
GROWTH AIRLINES																		
<i>Low Cost Carriers</i>																		
Alegiant	ALGT-US	\$118.33	x 17.9	= \$2,119	+ \$0	+ \$0	+ \$209	+ \$20	+ \$298	- \$356	= \$2,291	\$178	+ \$13	+ \$75	+ \$32	+ \$10	= \$309	7.42x
JetBlue	JBLU-US	10.66	x 296.8	= 3,164	+ 0	+ 0	+ 2,830	+ 307	+ 2,336	- 771	= 7,866	394	+ 146	+ 326	+ 141	+ 192	= 1,200	6.56x
Southwest	LUV-US	26.97	x 681.8	= 18,659	+ 0	+ 0	+ 2,172	+ 642	+ 7,150	- 3,498	= 25,125	1,534	+ 102	+ 915	+ 357	+ 664	= 3,572	7.03x
Spirit	SAVE-US	62.83	x 72.7	= 4,570	+ 0	+ 0	+ 0	+ 0	+ 1,779	- 544	= 5,805	329	+ 0	+ 51	+ 194	+ 60	= 634	9.15x
Average																		7.54x
<i>Regional Airlines</i>																		
Republic	RJET-US	\$10.80	x 49.8	= \$538	+ \$0	+ \$0	+ \$1,920	+ \$304	+ \$994	- \$303	= \$3,453	\$113	+ \$122	+ \$162	+ \$137	+ \$5	= \$538	6.41x
SkyWest	SKYW-US	11.91	x 51.1	= 609	+ 0	+ 0	+ 1,286	+ 181	+ 2,579	- 543	= 4,112	41	+ 81	+ 253	+ 349	+ 19	= 743	5.54x
Average																		5.97x
<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\$28,601	- Ps\$3,615	= Ps\$49,681	Ps\$1,628	+ Ps\$1,283	+ Ps\$1,720	+ Ps\$4,086	+ Ps\$0	= Ps\$8,717	5.70x
Avianca	AVIH-US	\$16.32	x 137.7	= \$2,247	+ \$0	+ \$6	+ \$1,990	+ \$327	+ \$2,121	- \$573	= \$6,118	\$149	+ \$114	+ \$254	+ \$303	+ \$0	= \$821	7.45x
Copa	COPA-US	143.36	x 44.4	= 6,361	+ 0	+ 0	+ 883	+ 156	+ 774	- 1,116	= 7,058	594	+ 34	+ 119	+ 104	+ 6	= 858	8.23x
GOL	GOL-US	5.59	x 276.7	= 1,547	+ 0	+ 270	+ 2,105	+ 202	+ 2,520	- 1,103	= 5,541	50	+ 218	+ 258	+ 354	+ 6	= 886	6.26x
LATAM	LFL-US	13.60	x 541.0	= 7,358	+ 0	+ 85	+ 7,287	+ 1,521	+ 4,234	- 1,970	= 18,515	538	+ 441	+ 1,033	+ 469	+ 136	= 2,616	7.07x
Volans	VLRG-US	8.54	x 101.2	= 864	+ 0	+ 0	+ 42	+ 0	+ 1,281	- 177	= 2,011	3	+ 1	+ 24	+ 183	+ 0	= 212	9.50x
Average																		7.37x

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

