

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	
LEGACY AIRLINES																			
Major Networks																			
Alaska	ALK-US	\$95.30	x 68.8	= \$6,556	+ \$0	+ \$0	+ \$721	+ \$113	+ \$2,278	- \$1,420	= \$8,248	\$784	+	\$30	+	\$297	+	\$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	+	8,715	6.22x
Delta	DAL-US	39.35	x 548.0	= 33,369	+ 0	+ 0	+ 9,466	+ 1,578	+ 8,222	- 3,783	= 48,852	4,965	+	700	+	1,696	+	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	+	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	+	8,765	5.81x
Average												5.80x							
GROWTH AIRLINES																			
Low Cost Carriers																			
Alegiant	ALGT-US	\$118.33	x 17.9	= \$2,119	+ \$0	+ \$0	+ \$209	+ \$20	+ \$324	- \$356	= \$2,317	\$203	+	\$14	+	\$85	+	\$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	+	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	+	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	+	803	7.85x
Average												6.69x							
Regional Airlines																			
Republic	RJET-US	\$10.80	x 49.8	= \$538	+ \$0	+ \$0	+ \$1,920	+ \$304	+ \$1,206	- \$303	= \$3,665	\$111	+	\$125	+	\$182	+	\$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	+	872	5.13x
Average												5.67x							
Emerging Market																			
Aeromexico	AEROMEX-MX	P/\$21.90	x 713.6	= P/\$15,627	+ P/\$0	+ P/\$6	+ P/\$7,737	+ P/\$1,325	+ P/\$30,966	- P/\$3,615	= P/\$52,036	P/\$2,336	+	P/\$1,360	+	P/\$1,846	+	P/\$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	+	\$1,147	5.57x
Copa	CRA-US	143.36	x 44.4	= 6,361	+ 0	+ 0	+ 883	+ 156	+ 1,315	- 1,116	= 7,589	681	+	45	+	136	+	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	+	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	+	2,968	6.18x
Volaris	VLRS-US	8.54	x 101.2	= 864	+ 0	+ 0	+ 42	+ 0	+ 1,442	- 177	= 2,171	93	+	1	+	29	+	329	6.60x
Average												6.10x							

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

